DOCUMENT RESUME

ED 418 676 HE 031 205

TITLE	Precertification Training. Participant's Workbook. 1998-99.
INSTITUTION	Office of Postsecondary Education, Washington DC. Student Financial Assistance Programs.
PUB DATE	1998-05-00
NOTE	664p.
PUB TYPE	Collected Works - Proceedings (021) -- Guides - Classroom - Learner (051)
EDRS PRICE	MF03/PC27 Plus Postage.
DESCRIPTORS	College Administration; Compliance (Legal); *Eligibility; Federal Aid; Federal Legislation; Federal Programs; Government School Relationship; Grants; Higher Education; *Management Development; *Need Analysis (Student Financial Aid); *Program Administration; *Student Financial Aid; Student Loan Programs; Workshops
IDENTIFIERS	Family Education Loan Program; Federal Direct Student Loan Program; *Higher Education Act Title IV; Pell Grant Program

ABSTRACT

This package of training materials is intended for participants in a workshop for administrators at institutions of higher learning involved in administering student financial aid programs under Title IV of the Higher Education Act. The workshop agenda is divided into 28 sessions over five days. Sessions cover: introduction and overview; institutional eligibility; school responsibilities; Title IV reporting requirements; student eligibility; satisfactory academic progress; cost of attendance, expected family contribution, and need; overview of refunds and repayments; overview of overawards and overpayments; evaluation and Inspector General presentation; the Free Application for Federal Student Aid; paper and electronic applications; federal output documents; verification, updating, and corrections; federal need analysis; adjustments and professional judgment; calculating federal Pell Grant award amounts term--based using credit hours; calculating federal Pell Grant award amounts--credit hours without terms and clock hours; packaging; Pell Grant overpayments; reporting Pell Grant payment data; campus-based programs; disbursing campus-based awards; overview of the William D. Ford Federal Direct Load Program and Federal Family Education Loan (FFEL) Program; from source to student direct loan and FFEL funds; campus-based and Direct Loan/FFEL overawards and overpayments; calculating refunds and repayments; and financial aid administrator presentation and evaluation. Appendices include a list of acronyms, a glossary, financial aid resources, sources and citations, and a financial aid calendar. Individual sections also contain regulatory and other references. (BF)

****
*   Reproductions supplied by EDRS are the best that can be made   *
*   from the original document.   *
****

HE H1

ED 418 676

HE031205

Precertification Training

PARTICIPANT'S WORKBOOK

U.S. DEPARTMENT OF EDUCATION
Office of Educational Research and Improvement
EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)
☐ This document has been reproduced as received from the person or organization originating it.
☐ Minor changes have been made to improve reproduction quality.
- Points of view or opinions stated in this document do not necessarily represent official OERI position or policy.

1998-99

BEST COPY AVAILABLE

NOTICE

This material is intended to support the federal Title IV Higher Education Act (HEA) Programs Precertification Training Workshop, which provides trainees with a basic introduction to administering federal Title IV programs. **Completing the workshop does not absolve or lessen the continuing responsibility of participating institutional personnel to comply with current laws, regulations, policies, and procedures concerning federal Title IV program administration.**

The information in these sessions is based on legislation, regulations, policies, and procedures in **effect as of May 1, 1998**. Rules that become effective after May 1 are duly noted. While every effort was made to include correct and complete information in this Guide, financial aid professionals are urged also to rely on a number of additional technical reference materials and "Dear Colleague" letters to obtain the most accurate information possible. Any organization or institution using this material is on notice that new legislation, regulations, policies, and procedures may have superseded the contents of this publication.

All material in this publication may be reproduced, fully or partially, without permission.

Course prepared by:
Training and Program Information Division
Student Financial Assistance Programs
Office of Postsecondary Education
U.S. Department of Education

Agenda for 1998-99 Precertification Training Workshops

Day 1

Session	
Session 1	Introduction to the Workshop
Session 2	Overview of the Title IV Programs
	Break
Session 3	Institutional Eligibility
	Lunch
Session 4	School Responsibilities
	Break
Session 5	Title IV Reporting Requirements

Day 2

Session 6	Student Eligibility
	Break
Session 7	Satisfactory Academic Progress (SAP)
Session 8	Cost of Attendance, Expected Family Contribution, and Need
	Break
Session 9	Overview of Refunds and Repayments
	Lunch
Session 10	Overview of Overawards and Overpayments
	Break
Session 11	Evaluation & IG Presentation

Day 3

Session	
Session 12	The Free Application for Federal Student Aid (FAFSA)
	Break
Session 13	Paper and Electronic Applications
Session 14	Federal Output Documents
	Break
Session 15	Verification, Updating, and Corrections
	Lunch
Session 16	Federal Need Analysis
Session 17	Adjustments and Professional Judgment
	Break
Session 18a	Calculating Federal Pell Grant Award Amounts—Term-Based Using Credit Hours
	OR
Session 18b	Calculating Federal Pell Grant Award Amounts—Credit Hours Without Terms and Clock Hours

Day 4

Session 19	Packaging
Session 20	Pell Grant Overpayments
	Break
Session 21	Reporting Pell Grant Payment Data
	Lunch

Session	
Session 22	Campus-Based Programs
	Break
Session 23	Disbursing Campus-Based Awards
Session 24	Overview of the William D. Ford Federal Direct Loan Program and Federal Family Education Loan Program

Day 5

Session 25	From Source to Student: Direct Loan and FFEL Funds
Session 26	Campus-Based and Direct Loan/FFEL Overawards and Overpayments
	Break
Session 27	Calculating Refunds and Repayments
Session 28	Financial Aid Administrator Presentation and Evaluation

Session 1 - Introduction to the Workshop and Materials

By the end of this session, you will be able to:

- ***recognize the main features of the workshop and***
- ***use the workshop materials effectively.***

RESOURCES

- *Participant's Workbook*
- *The 1998-99 Federal Student Financial Aid Handbook,* Chapter 1
  - *The Federal Student Financial Aid Handbook* (referred to as the *Handbook*) is considered the "bible" of financial aid. The *Handbook* explains the policies and procedures required to properly administer federal student financial assistance (SFA) programs.
- *The 1998-99 Student Guide*
  - *The Student Guide* explains the federal SFA programs and how to apply for them. This resource is mostly used by students, their parents, and high school personnel.

SESSION CONTENTS

1. Need to Know
   - Student Financial Aid Reference Publications from ED
   - Title IV Financial Aid Programs
   - Using Financial Aid Consultants and Servicers
2. Back at the Office

BEST COPY AVAILABLE

NEED TO KNOW

Student Financial Aid Reference Publications from ED

- the *Verification Guide*
- the *Title IV School Code List*
- the *Current Regulation Compilation*
- the *Blue Book* (July 1995)
- the *Audit Guide* (December 1996)
- the *1998-99 EFC Formula Book*
- the *1998-99 Counselor's Handbook* (high school edition)
- *A Guide to 1998-99 SARs and ISIRs*
- *Ayuda Federal Para Estudiantes* (Federal Aid for Students)
- the *Spanish FAFSA*

See also Appendix C of this Workbook for useful information on these and other resources.

The Federal Student Aid Information Center provides single copies of these publications:

Address:
Federal Student Aid Information Center
P.O. Box 84
Washington, DC 20044

Toll-Free Telephone Number
1-800-4-FED-AID
(1-800-433-3243)

NEED TO KNOW (cont'd)

Title IV Financial Aid Programs (and regulatory citations)

- Federal Pell Grant Program (34 CFR 690)
- Federal Supplemental Educational Opportunity Grant Program (FSEOG) (34 CFR 676)
- Federal Work-Study Program (FWS) (34 CFR 675)
- Federal Perkins Loan Program (34 CFR 674)
- Federal Subsidized Stafford Loan Program (34 CFR 682)
- Federal Unsubsidized Stafford Loan Program (34 CFR 682)
- Federal PLUS Loan Program (34 CFR 682)
- Federal Direct Subsidized Loan Program (34 CFR 685)
- Federal Direct Unsubsidized Loan Program (34 CFR 685)
- Federal Direct PLUS Loan Program (34 CFR 685)

General Provisions (34 CFR 668) is the section of the regulations that covers general rules pertaining to all the programs (eligibility, cash management, etc.).

BEST COPY AVAILABLE

Using Financial Aid Consultants and Servicers

Parts 668, 682, and 690 in the federal regulations, have requirements about third-party servicers performing any function relating to federal student aid programs regarding responsibilities, audits, and contracts with institutions. "Dear Colleague" Letter GEN-95-13, published February 1995, deals with institutional reporting requirements about third-party servicers to ED.

The Federal Student Aid Information Center provides single copies of these documents (see address and telephone number listed on page 2).

Also, the National Association of Student Financial Aid Administrators (NASFAA) has a pamphlet called "On Choosing, Using, and Appraising a Student Financial Aid Consultant." You can order a copy directly from NASFAA.

NASFAA
1920 L Street, NW
Suite 200
Washington, DC 20036
(202) 785-0453

BACK AT THE OFFICE

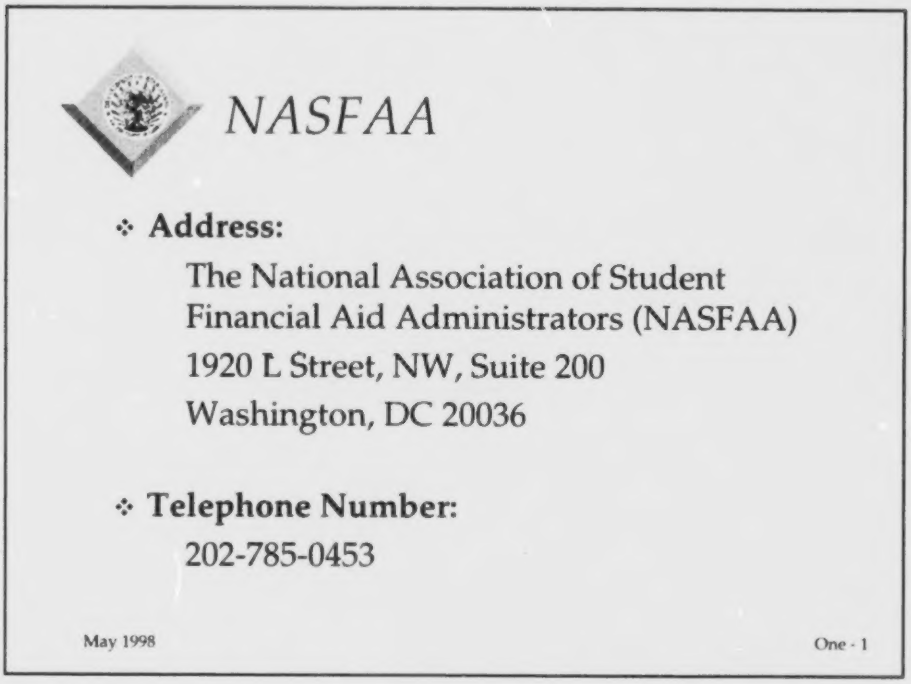
This section appears at the end of every session. It's designed to serve as a reminder checklist once you're back in the office. Session 1 suggests that when you get back to your school you:

- Review the list of ED's specialized reference publications (listed on page 2 and in Appendix C).
- Order reference publications from ED (address and telephone listed on page 2).
- Continue developing financial aid skills by reading the *Handbook* and other publications.
- Take part in financial aid training opportunities.
- ____
- ____
- ____

If you are using a financial aid consultant:

- Review the law (listed on previous page).
- Make sure an on-site employee attends training.
- Contact NASFAA for its pamphlet on using a financial aid consultant (address on previous page).
- ____
- ____
- ____

BEST COPY AVAILABLE



NASFAA

- **Address:**

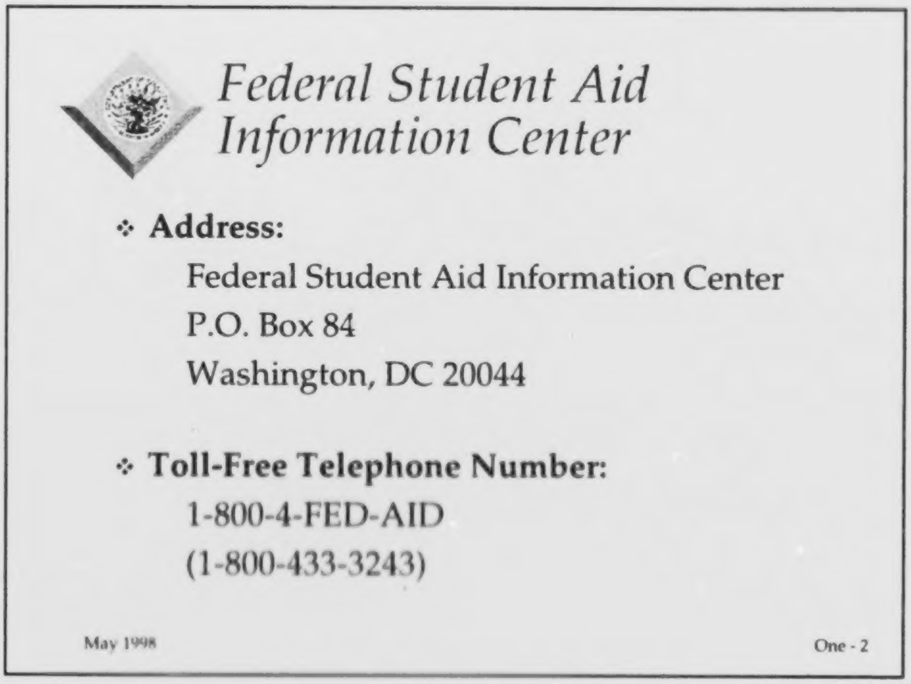
  The National Association of Student
  Financial Aid Administrators (NASFAA)
  1920 L Street, NW, Suite 200
  Washington, DC 20036

- **Telephone Number:**

  202-785-0453

May 1998

One - 1



Federal Student Aid Information Center

- **Address:**

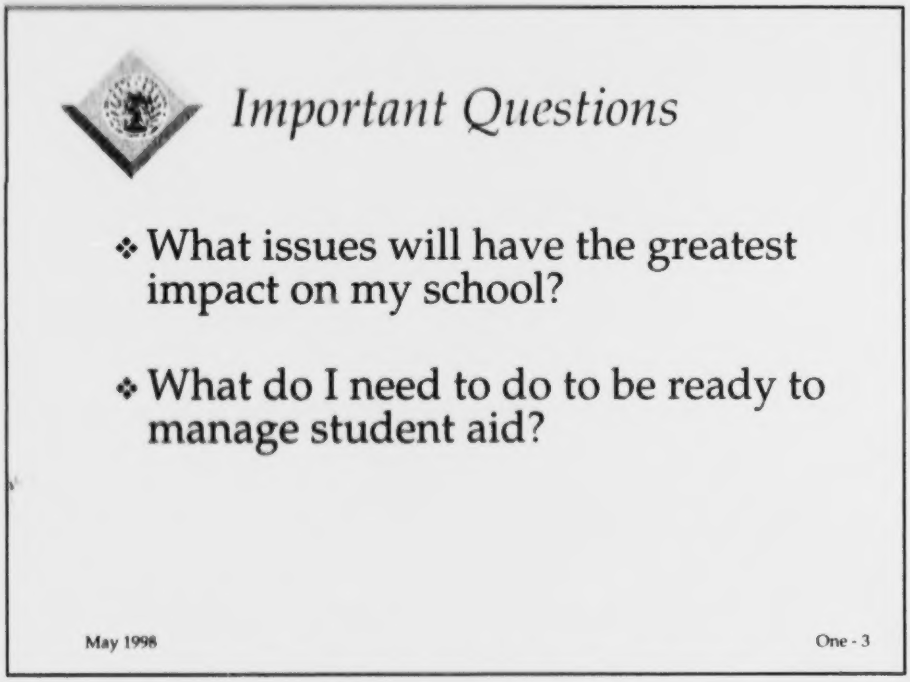
  Federal Student Aid Information Center
  P.O. Box 84
  Washington, DC 20044

- **Toll-Free Telephone Number:**

  1-800-4-FED-AID
  (1-800-433-3243)

May 1998

One - 2



Important Questions

- What issues will have the greatest impact on my school?
- What do I need to do to be ready to manage student aid?

May 1998

One - 3

Session 2 - Overview of the Title IV Programs

By the end of this session, you will be able to:

- ***explain the difference between a grant and a loan,***
- ***recognize the basic facts about the Title IV programs, and***
- ***locate specific information in* The Student Guide.**

RESOURCES

- *The 1998-99 Federal Student Financial Aid Handbook,* Chapter 1
- *The 1998-99 Student Guide*

SESSION CONTENTS

1. Need to Know
    - ◆ Chart — Title IV Programs
    - ◆ Chart — Title IV Programs Summary
2. Practice
    - ◆ Quiz — Title IV
3. Back at the Office
4. Answer Key

BEST COPY AVAILABLE

Title IV Programs

Title IV Program	Description	Law (HEA)	Regulations	1998-99 FSFA Handbook
Federal Pell Grant	Grants for financially needy undergraduate students who have not earned bachelor's degrees or a first professional degree.	Part A	Part 690	Chapter 4
Federal Supplemental Educational Opportunity Grant (FSEOG)	Grants for undergraduate students with "exceptional financial need." (Federal Pell Grant recipients with lowest EFCs)	Part A	Part 676	Chapter 8
Federal Work-Study (FWS)	Self-help program that provides on-campus and off-campus employment to eligible undergraduate and graduate students.	Part C	Part 675	Chapter 7
Federal Perkins Loan	Low-interest loans for financially needy undergraduate and graduate/professional students.	Part E	Part 674	Chapter 6
Federal Direct Subsidized Loan	Loans to help financially needy graduates and undergraduates; interest subsidized by federal government; made by federal government.	Part D	Part 685	Chapter 11
Federal Direct Unsubsidized Loan	Loan funds without interest subsidies for graduate and undergraduate students; made by federal government.	Part D	Part 685	Chapter 11
Federal Direct PLUS Loan	Loans to parents for college expenses of their dependent undergraduate children; made by federal government.	Part D	Part 685	Chapter 11
Federal Subsidized Loan	Low-interest loans to help financially needy students; from lenders, guaranteed and interest subsidized by federal government.	Part B	Part 682	Chapter 10
Federal Unsubsidized Loan	Loan funds without interest subsidies for undergraduate and graduate students; from lenders, guaranteed by federal government.	Part B	Part 682	Chapter 10
Federal PLUS Loan	Loans to parents for college expenses of their dependent undergraduate children; from lenders, guaranteed by federal government.	Part B	Part 682	Chapter 10

Title IV Programs Summary

Title IV Program	Type of Aid	Application Required	Award/Loan Determination	Aid Recipient	Award/Loan Limits	Need Analysis	Disbursement/Repayment
Federal Pell Grant	Gift Aid	FAFSA	**Specified in ED's annual payment and disbursement schedule**	Only undergraduates	$2,700 1997-98 $3,000 1998-99	**Based on need**	**School acts as ED's agent to disburse. No repayment.**
Campus-Based Aid Programs							
FSEOG	Gift Aid	FAFSA	School's financial aid policy and available funds	Only undergraduates, with priority given to Pell Grant recipients	$4,000 a year except in case of study abroad, where up to $400 more a year is allowed	Based on need	The school disburses funds to students. No repayment.
FWS	Self-Help Aid			Undergraduate or graduate/professional students	No annual award maximum		School disburses earned funds to students at least monthly. No repayment.
Federal Perkins Loan					$3,000 a year for undergraduates and $5,000 a year for graduate/professional students		School disburses funds to students. Repayment required
Direct Loan and FFEL Programs							
Subsidized Loan	Self-Help Aid	**Direct Loan:** FAFSA only **FFEL:** FAFSA and FFEL common application	A student's subsidized loan added to the EFC and other EFA cannot exceed COA.	Undergraduates or graduate/ professional students	The annual and aggregate loan maximums apply to the sum of subsidized and unsubsidized loans.	Based on need	**Direct Loan Program:** School disburses funds. Repayment required. **FFEL Program:** Lender disburses, school delivers funds. Repayment required.
Unsubsidized Loan			The student's unsubsidized loan added to other EFA cannot exceed COA.			Not based on need	
PLUS Loan		PLUS Loan application	The parent's PLUS Loan added to the student's other EFA cannot exceed student's COA.	Parents of dependent undergraduates	The parents' PLUS loan added to student's other EFA cannot exceed student's COA.		

BEST COPY AVAILABLE

PRACTICE

Title IV Quiz

Referring to your copy of *The 1998-99 Student Guide*, answer the questions listed below.

1. What is the basic difference between a grant and a loan?

   Grant: ______________________________

   Loan: ______________________________

2. What is the maximum Pell Grant award for 1998-99? $__________

3. How often must a school disburse a Pell Grant award to a student during an academic year?

   ____

   ____

   ____

4. What is the source of funds for Direct Loans? How about for Federal Family Education Loans?

   ____

   ____

   ____

5. What are the differences between a subsidized loan and an unsubsidized loan?

   ____

   ____

6. What is the largest loan a first-year, dependent student may borrow?
   $__________

PRACTICE (cont'd)

7. If Susan is receiving $2,000 in financial aid, and the cost of attendance is $8,000, how much PLUS Loan can her parents borrow? $__________

8. Why might the amount of a FSEOG, FWS, or Perkins Loan a student can receive depend on **when** the student applies for Title IV aid?

9. What's a major difference between a FSEOG and a Federal Pell Grant?

10. Where can FWS jobs be located?

11. Who does a Perkins Loan borrower repay? __________

BACK AT THE OFFICE

Back at the office, you should:

- Read *The Student Guide.*
- Keep Title IV program charts handy for reference.
- ____
- ____
- ____

ANSWER KEY

Title IV Quiz

1. What is the basic difference between a grant and a loan?

   A grant does not have to be paid back, but students must pay back a loan. Grants are often referred to as "gift aid" and loans as "self-help aid."

2. What is the maximum Pell Grant award for 1998-99? **$3,000**.

3. How often must a school disburse a Pell Grant award to a student during an academic year?

   At least once per term for standard-term schools and at least twice during the award year for schools that do not use standard terms.

4. What is the source of funds for Direct Loans? How about for Federal Family Education Loans?

   For the Direct Loan Program, Department of Education is the source of funds. It pays students through the school, with the school disbursing loan proceeds to the students. For the FFEL Program, private lenders (guaranty agencies, banks, and credit unions) are the source. They disburse student loan proceeds to the school. The school then delivers the funds to the students.

5. What are the differences between a subsidized loan and an unsubsidized loan?

   A subsidized loan is based on financial need; the unsubsidized is not. The government will pay (or not charge) interest while the student is in deferment (including in-school deferment) for the subsidized loan. An unsubsidized loan accrues interest that will be paid by the borrower from the time the loan is made until it is repaid in full.

6. What is the largest loan a first-year, dependent student may borrow? **$2,625.**

7. If Susan is receiving $2,000 in financial aid, and the cost of attendance is $8,000, how much PLUS Loan can her parents borrow? **$6,000.**

8. Why might the amount of a FSEOG, FWS, or Perkins Loan a student can receive depend on **when** the student applies for Title IV aid?

   Because limited campus-based funds are available at each school, no funds may be available for an applicant who applies late in the award year.

9. What's a major difference between a FSEOG and a Federal Pell Grant?

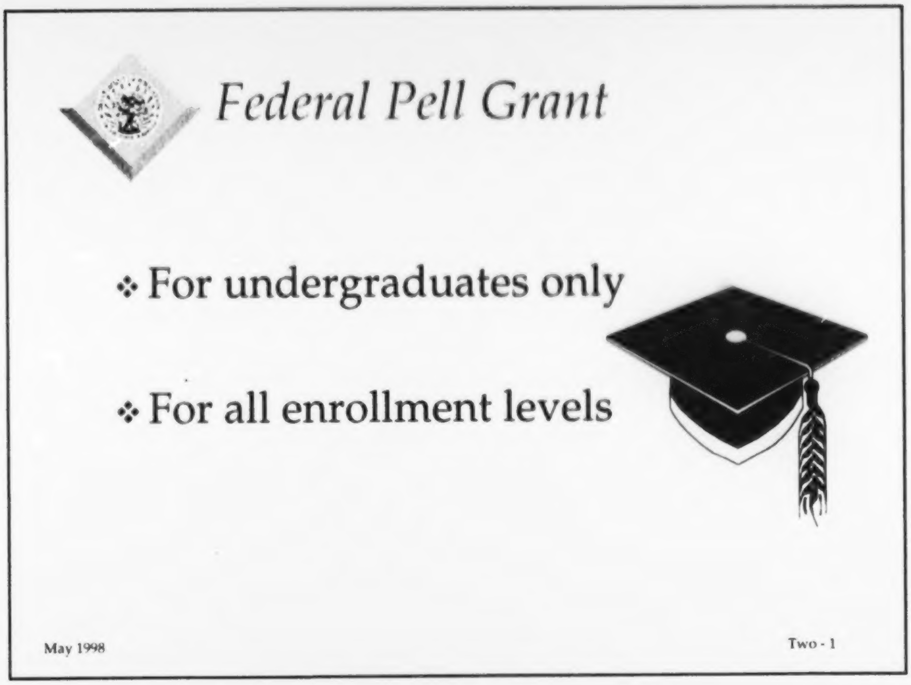
   ED guarantees eligible students will receive a Federal Pell Grant, but there's no guarantee that every eligible student will receive a FSEOG.

10. Where can FWS jobs be located?

    FWS job placement may be with an eligible on-campus employer or off-campus employer, or it may be in community-service work. Jobs off-campus tend to be for private, nonprofit organizations or public agencies.

11. Who does a Perkins Loan borrower repay?

    The school. Since Perkins is a campus-based program (which means it is administered by the school), the student must repay the school.



Federal Pell Grant

- For undergraduates only
- For all enrollment levels

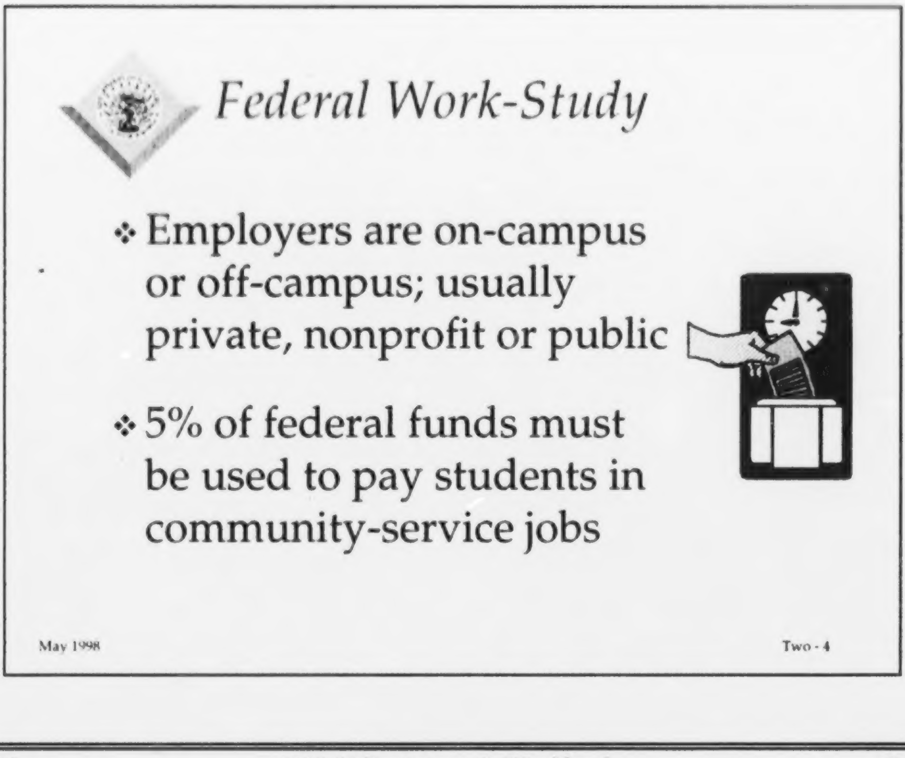
Direct Loan and FFEL Programs

- **Stafford Loans**
  - For students
  - Subsidized and unsubsidized
- **PLUS Loans**
  - For parents
- **Consolidation Loans**

BEST COPY AVAILABLE

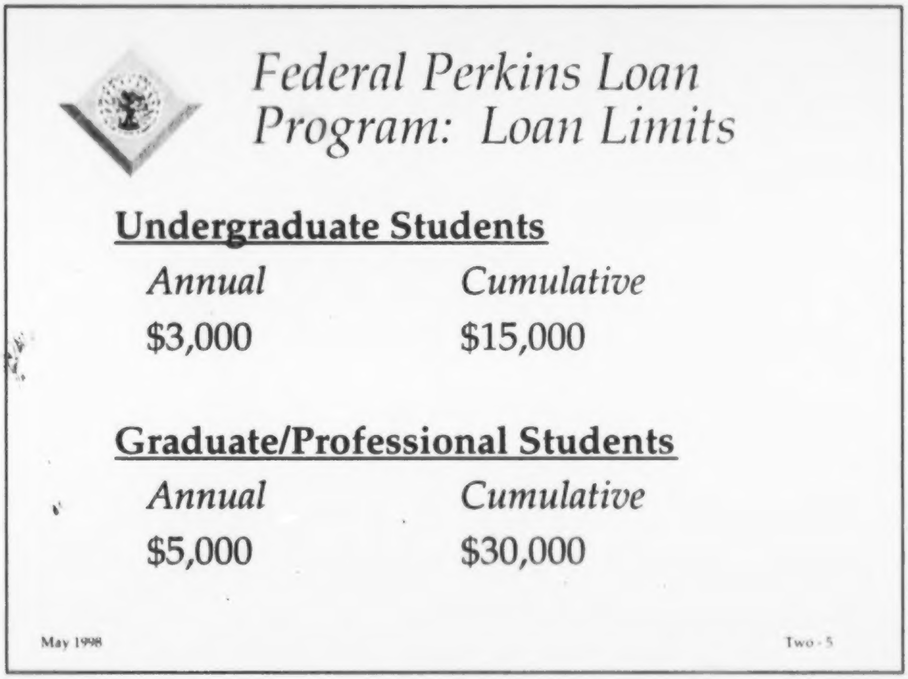
FSEOG Program

- Minimum Annual Amount: **$100**
- Maximum Annual Amount: **$4,000**
- No maximum cumulative amount
- Priority given to Pell Grant recipients



Federal Work-Study

- Employers are on-campus or off-campus; usually private, nonprofit or public
- 5% of federal funds must be used to pay students in community-service jobs



Federal Perkins Loan Program: Loan Limits

Undergraduate Students

Annual	*Cumulative*
$3,000	$15,000

Graduate/Professional Students

Annual	*Cumulative*
$5,000	$30,000

May 1998 Two - 5

Session 3 - Institutional Eligibility

By the end of this session, you will be able to:

- ***identify Title IV eligibility criteria for postsecondary schools,***
- ***identify the processes necessary to obtain and maintain participation in Title IV aid programs, and***
- ***identify the requirements that educational programs must meet to be eligible for Title IV funding.***

RESOURCES

- *The 1998-99 Federal Student Financial Aid Handbook,* Chapter 3
- *"Dear Colleague" Letter GEN-95-26* includes information on the components of the "85 Percent Rule" (85/15 ratio) and how to calculate the percentages.
- *"Dear Colleague" Letter GEN-97-11* (electronic requirements)
- *"Dear Colleague" Letter GEN-97-6* (reporting on changes)

SESSION CONTENTS

1. Lecture Notes
    - ♦ Three Types of Institutions
        - ◊ Chart—What's Your Institutional Type?
2. Need To Know
    - ♦ Requirements for Initial Participation
        - ◊ Flowchart—Application for Approval to Participate in Federal Student Aid Financial Aid Programs

BEST COPY AVAILABLE

SESSION CONTENTS (cont'd)

- ◊ Questions About Participating in Federal Student Financial Aid Programs
  - Chart—IPOS Case Management Teams
- ◆ Requirements for Continued Participation
  - ◊ DCL GEN-97-6, Charts 1 and 2
- ◆ Loss of Eligibility

3. Practice
   - ◆ Review Quiz
4. Back at the Office
5. Answer Key

LECTURE NOTES

Three Types of Institutions

There are three types of eligible postsecondary institutions (see *The 1998-99 Federal Student Financial Aid Handbook*).

- Institution of Higher Education
- Proprietary Institution of Higher Education
- Postsecondary Vocational Institution

The major differences relate to control (public or private; nonprofit or for-profit) and the eligible educational programs that a school offers. Refer to page 3-6 in the Handbook and, on the next page, check the definition(s) that apply to your school.

What's Your Institutional Type?

To find your school type, check all the items in the categories below that apply to your school

Admissions, Accreditation, and Legal Authorization

My institution: (should check all)

_____ is legally authorized by the state where it offers postsecondary education to provide a postsecondary educational program

_____ is accredited by a nationally recognized accrediting agency or has met the alternative requirements

_____ admits as regular students only persons with a high school diploma (or its recognized equivalent) or persons beyond the age of compulsory attendance in the state where the institution is located

Program Offered

*This is called a "short-term program"; it may only participate in Direct Loan and FFEL Programs, and it must also meet specific qualitative standards.

My institution offers: (check all that apply)

(a)_____ a program that provides an associate, baccalaureate, graduate, or professional degree

(b)_____ at least a two-year program acceptable for full credit toward bachelor's degree

(c)_____ at least a one-year training program that leads to a degree, certificate, or other recognized educational credential and prepares students for gainful employment in a recognized occupation.

(d)_____ training for gainful employment in a recognized occupation ***and*** meets the criteria of at least one category in the next column

(d1)_____ at least a 15-week undergraduate program, 600 clock hours, 16 semester or trimester hours, or 24 quarter hours (may admit students without associate degrees or equivalent)

(d2)_____ at least a 10-week program, 300 clock hours, 8 semester or trimester hours, or 12 quarter hours (must be a graduate/professional program, or must only admit students with associate degrees or equivalent)

(d3)_____ at least a 10-week undergraduate program, 300-599 clock hours; must admit some students without an associate degree or equivalent*

Two-Year Rule

My institution: (check if applicable to your school)

(e)_____ has been legally authorized to give (and has been giving) postsecondary instruction for at least two consecutive years.

Control

My institution is: (check all that apply)

(f)_____ public (g) _____ private (h) _____ non-profit (i) _____ for-profit

Key

**Each institutional type is located in a state

Use the key below to determine your institutional type:**

If you selected items **a** or **b** or **c**; **f** or **g**; and **h**; then your institutional type is **Institution of Higher Education**

If you selected items **d** (including **d1**, **d2**, or **d3**), **e**, **g**, and **i**; then your institutional type is **Proprietary Institution of Higher Education**

If you selected **d** (including **d1**, **d2**, or **d3**); **e**; **f** or **g**; and **h**; then your institutional type is **Postsecondary Vocational Institution**

BEST COPY AVAILABLE

Requirements for Initial Participation

To begin participating in Title IV programs, a school must:

- designate an individual to administer SFA programs;
- demonstrate that it is financially responsible;
- offer at least one eligible program;
- define its academic year; and
- determine whether programs will be measured in credit hours or clock hours.

Notes on Completing the Application

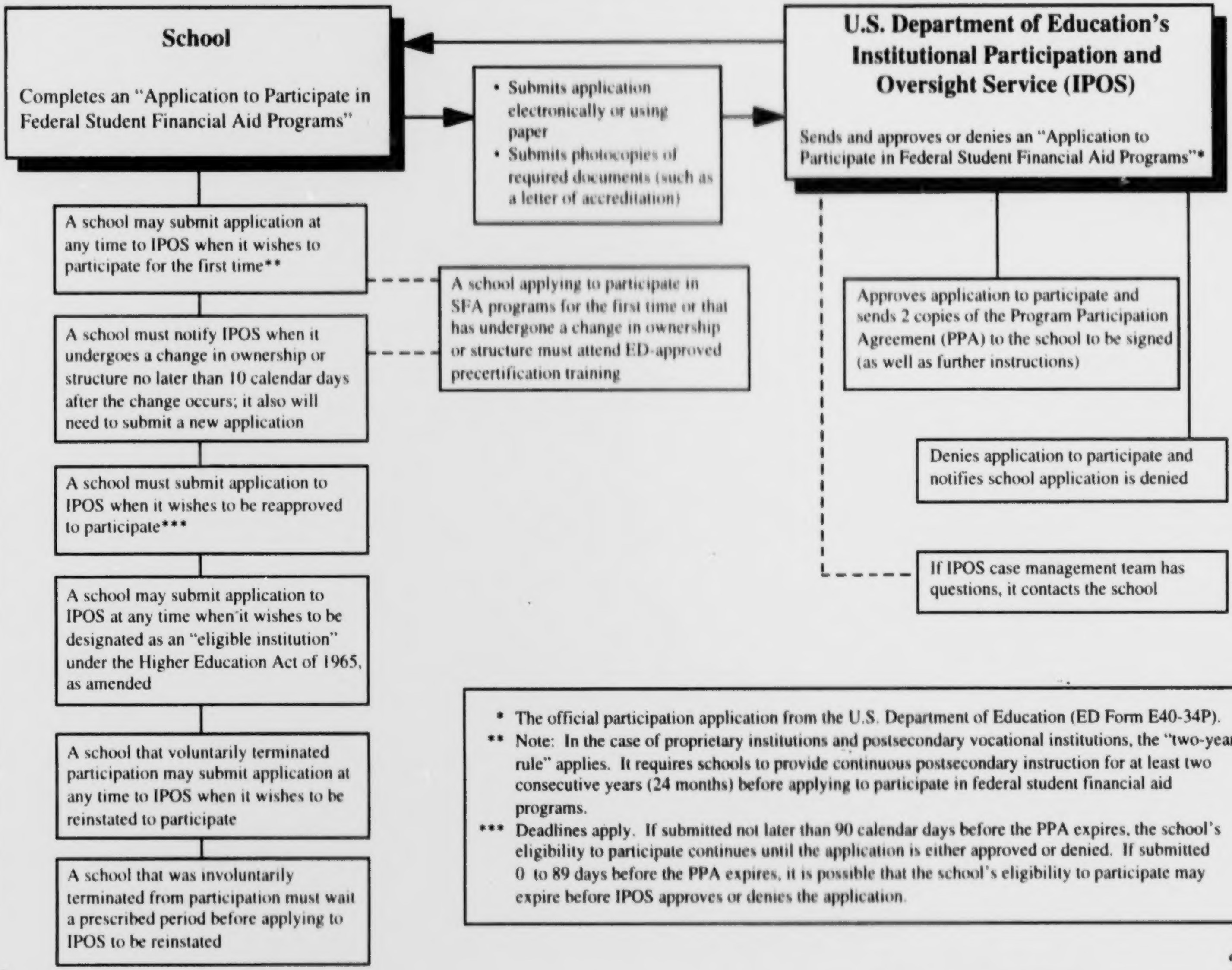
When initially applying to participate in Title IV, schools must still use the paper Application to Participate.

As of July 1, 1998, though, schools must electronically submit the Application if they wish to:

- report a change of ownership;
- be receritified; or
- report any changes on information reported on the Application.

The web site that contains the electronic application is **http://eligcert.ed.gov**. Schools are still required to print, sign, and mail a separate signature page.

Application for Approval to Participate in Federal Student Financial Aid Programs



School

Completes an "Application to Participate in Federal Student Financial Aid Programs"

- Submits application electronically or using paper
- Submits photocopies of required documents (such as a letter of accreditation)

U.S. Department of Education's Institutional Participation and Oversight Service (IPOS)

Sends and approves or denies an "Application to Participate in Federal Student Financial Aid Programs"*

A school may submit application at any time to IPOS when it wishes to participate for the first time**

A school must notify IPOS when it undergoes a change in ownership or structure no later than 10 calendar days after the change occurs; it also will need to submit a new application

A school applying to participate in SFA programs for the first time or that has undergone a change in ownership or structure must attend ED-approved precertification training

A school must submit application to IPOS when it wishes to be reapproved to participate***

A school may submit application to IPOS at any time when it wishes to be designated as an "eligible institution" under the Higher Education Act of 1965, as amended

A school that voluntarily terminated participation may submit application at any time to IPOS when it wishes to be reinstated to participate

A school that was involuntarily terminated from participation must wait a prescribed period before applying to IPOS to be reinstated

Approves application to participate and sends 2 copies of the Program Participation Agreement (PPA) to the school to be signed (as well as further instructions)

Denies application to participate and notifies school application is denied

If IPOS case management team has questions, it contacts the school

* The official participation application from the U.S. Department of Education (ED Form E40-34P).

** Note: In the case of proprietary institutions and postsecondary vocational institutions, the "two-year rule" applies. It requires schools to provide continuous postsecondary instruction for at least two consecutive years (24 months) before applying to participate in federal student financial aid programs.

*** Deadlines apply. If submitted not later than 90 calendar days before the PPA expires, the school's eligibility to participate continues until the application is either approved or denied. If submitted 0 to 89 days before the PPA expires, it is possible that the school's eligibility to participate may expire before IPOS approves or denies the application.

BEST COPY AVAILABLE

Questions About Participating in Federal Student Aid Programs

If you have questions, please contact the appropriate ED Institutional Participation and Oversight Service (IPOS) case management team by telephone, fax, or Internet.

- If you are changing ownership or structure *or* requesting initial certification, contact the Initial Participation Branch at:

  Telephone: (202) 260-3270 Fax: (202) 260-3605 Internet: IPOS@ed.gov
- If you are a foreign institution or foreign graduate medical school, contact the Foreign School Team at:

  Telephone: (202) 205-0183 Fax: (202) 708-9527 Internet: IPOS@ed.gov
- For all other schools, contact the appropriate case management team identified on the next two pages.

NEED TO KNOW (cont'd)

Your State	Your Team	Phone	Fax	Internet (all teams)
Alabama	Atlanta Team	(404) 562-6315	(404) 562-6321	IPOS@ed.gov
Alaska	Seattle Team	(206) 287-1770	(206) 553-0799	
American Samoa	San Francisco Team	(415) 437-8276	(415) 437-8206	
Arizona	San Francisco Team	(415) 437-8276	(415) 437-8206	
Arkansas	Dallas Team	(214) 767-3811	(214) 767-0336	
California	San Francisco Team	(415) 437-8276	(415) 437-8206	
Canal Zone	New York Team	(212) 264-4022	(212) 264-5025	
Colorado	Denver Team	(303) 844-3677	(303) 844-4695	
Connecticut	Boston Team	(617) 223-9338	(617) 223-4305	
Delaware	Philadelphia Team	(215) 596-0247	(215) 596-5074	
District of Columbia	Philadelphia Team	(215) 596-0247	(215) 596-5074	
Federated States of Micronesia	San Francisco Team	(415) 437-8276	(415) 437-8206	
Florida	Atlanta Team	(404) 562-6315	(404) 562-6321	
Georgia	Atlanta Team	(404) 562-6315	(404) 562-6321	
Guam	San Francisco Team	(415) 437-8276	(415) 437-8206	
Hawaii	San Francisco Team	(415) 437-8276	(415) 437-8206	
Idaho	Seattle Team	(206) 287-1770	(206) 553-0799	
Illinois	Chicago Team	(312) 886-8767	(312) 353-2836	
Indiana	Chicago Team	(312) 886-8767	(312) 353-2836	
Iowa	Kansas City Team	(816) 880-4053	(816) 891-0983	
Kansas	Kansas City Team	(816) 880-4053	(816) 891-0983	
Kentucky	Atlanta Team	(404) 562-6315	(404) 562-6321	
Louisiana	Dallas Team	(214) 767-3811	(214) 767-0336	
Maine	Boston Team	(617) 223-9338	(617) 223-4305	
Maryland	Philadelphia Team	(215) 596-0247	(215) 596-5074	
Massachusetts	Boston Team	(617) 223-9338	(617) 223-4305	
Michigan	Chicago Team	(312) 886-8767	(312) 353-2836	
Minnesota	Chicago Team	(312) 886-8767	(312) 353-2836	
Mississippi	Atlanta Team	(404) 562-6315	(404) 562-6321	
Missouri	Kansas City Team	(816) 880-4053	(816) 891-0983	
Montana	Denver Team	(303) 844-3677	(303) 844-4695	

NEED TO KNOW (cont'd)

Your State	Your Team	Phone	Fax	Internet (all teams)
Nebraska	Kansas City Team	(816) 880-4053	(816) 891-0983	IPOS@ed.gov
Nevada	San Francisco Team	(415) 437-8276	(415) 437-8206	
New Hampshire	Boston Team	(617) 223-9338	(617) 223-4305	
New Jersey	New York Team	(212) 264-4022	(212) 264-5025	
New Mexico	Dallas Team	(214) 767-3811	(214) 767-0336	
New York	New York Team	(212) 264-4022	(212) 264-5025	
North Carolina	Atlanta Team	(404) 562-6315	(404) 562-6321	
North Dakota	Denver Team	(303) 844-3677	(303) 844-4695	
Northern Marianas	San Francisco Team	(415) 437-8276	(415) 437-8206	
Ohio	Chicago Team	(312) 886-8767	(312) 353-2836	
Oklahoma	Dallas Team	(214) 767-3811	(214) 767-0336	
Oregon	Seattle Team	(206) 287-1770	(206) 553-0799	
Pennsylvania	Philadelphia Team	(215) 596-0247	(215) 596-5074	
Puerto Rico	New York Team	(212) 264-4022	(212) 264-5025	
Republic of Palau	San Francisco Team	(415) 437-8276	(415) 437-8206	
Republic of the Marshall Islands	San Francisco Team	(415) 437-8276	(415) 437-8206	
Rhode Island	Boston Team	(617) 223-9338	(617) 223-4305	
South Carolina	Atlanta Team	(404) 562-6315	(404) 562-6321	
South Dakota	Denver Team	(303) 844-3677	(303) 844-4695	
Tennessee	Atlanta Team	(404) 562-6315	(404) 562-6321	
Texas	Dallas Team	(214) 767-3811	(214) 767-0336	
U.S. Virgin Islands	New York Team	(212) 264-4022	(212) 264-5025	
Utah	Denver Team	(303) 844-3677	(303) 844-4695	
Vermont	Boston Team	(617) 223-9338	(617) 223-4305	
Virginia	Philadelphia Team	(215) 596-0247	(215) 596-5074	
Washington	Seattle Team	(206) 287-1770	(206) 553-0799	
West Virginia	Philadelphia Team	(215) 596-0247	(215) 596-5074	
Wisconsin	Chicago Team	(312) 886-8767	(312) 353-2836	
Wyoming	Denver Team	(303) 844-3677	(303) 844-4695	

Requirements for Continued Participation

To maintain institutional eligibility and to continue participating in Title IV programs without interruption, a school must:

- maintain accreditation with a nationally recognized accrediting agency;
- maintain licensing with the appropriate state licensing board(s);
- continue compliance with other institutional eligibility regulations and Title IV program requirements;
- apply for recertification of their PPA at least 90 days prior to the PPA's expiration date; and
- submit to ED changes to information that the school reported on the "Application for Approval to Participate in Federal Student Financial Aid Programs*."

***As of 7/1/98, both of these requirements must be met over the Internet at http://eligcert.ed.gov**

July 1997

Dear Colleague Letter: GEN-97-6

SUMMARY: How to report changes to the information you provided on your Application for Approval to Participate in Federal Student Financial Aid Programs.

Dear Colleague:

U.S. Department of Education (ED) regulations require you to update certain information provided on your Application for Approval to Participate in Federal Student Financial Aid Programs (ED Form E40-34P) **as changes occur**. Please note that the application is available on ED's Web page at--

http://www.ed.gov/offices/OPE/Professionals/pubs.html

The charts enclosed with this letter tell you what information must be updated, how to update the information, and what supporting documentation (if any) is required.

Enclosed Chart 1: In instances where the change involves a substantial modification to your program or structure, you must complete the appropriate question on the application and submit required supporting documentation. (In some instances, such as for change in ownership, ED will then notify you that you must submit a full application.) For all substantial changes, written approval from ED is required before you are authorized to disburse funds on the basis of the change. Chart 1 lists the changes where ED's written approval is required.

Enclosed Chart 2: In other instances, you are required only to notify ED of the change. This is done by completing the appropriate question on the application and (if required) providing supporting documentation. Chart 2 lists those changes.

Attachment A amplifies Chart 1 by describing when and how to report proposed changes in your institution-wide accreditation. Note that you must notify ED when you begin the process of obtaining accreditation from a different agency.

Information from the application that is not listed on these charts is to be updated when you next apply for recertification.

Note: Two changes are not listed on the application. If you close *or* if you file for bankruptcy, you must notify us within 10 calendar days by sending us a letter on your school's letterhead. Tell us the date you closed (or plan to close) or the date you filed for bankruptcy.

If sent by U.S. Postal Service, send all changes to the following address:

U.S. Department of Education
Institutional Participation and
Oversight Service
P.O. Box 44805
L'Enfant Plaza Station
Washington, DC 20026-4805

If sent by commercial overnight mail/courier delivery, send all changes to the following address:

U.S. Department of Education
Institutional Participation and
Oversight Service
7th and D Streets, SW
GSA Building, Room 3522
Washington, DC 20407

We hope that this information will help you comply with our regulatory reporting requirements. If you have any questions, please call the case management team responsible for the state in which you are primarily authorized to offer instruction. The teams are listed in **Attachment B**; the teams also are listed in the Introduction to the application beginning on page 5.

Chart 1

⇒ **Changes you must report to us, followed by the question number from the application. For these changes, you must receive our written approval or acknowledgment before you disburse federal student financial aid on the basis of the changes.**

To report a change in...	Use...
Accrediting agency*	Question 15
State authorizing agency	**Question 17**
Institutional structure	Question 18
Educational programs outside the scope of your current approval	**Question 26**
Addition of non-degree programs outside the scope of your current approval	Question 27
Changing from or to clock or credit hours	**Question 27**
Addition of a location	Question 30
Federal student financial aid programs for which you are approved**	**Question 37**
For for-profit institutions only	
Type of ownership	**Question 22**
Ownership	Question 24

Notifying us of any of these changes is a two-step process.

1. No later than 10 calendar days after the change is made, you must send us a letter on your institution's letterhead notifying us of the change and the date the change was made.
2. As soon as you have received approvals for the change from your accrediting agency and state authorizing agency, you must send us:
   - a letter on your institution's letterhead stating your 8-digit Office of Postsecondary Education Identification (OPE ID) number and your 9-digit Employer Identification Number (EIN);
   - copies of the approvals for the change;
   - the portion of the application on which you have entered the information that has changed; and
     - ◊ (Include any documentation asked for in the question. If necessary, use the space provided in Question 69 to supply additional information or explanations.)
   - Section L of the application that contains the original signature of the appropriate person.

We expect that within 35 days after we receive all of your information, either we will send you a letter of approval or acknowledgment, or we will ask you to submit a new application.

---

*Notify us BEFORE making ANY change that deals with your institution-wide accreditation. We will advise you on how to proceed.

**Approvals from your accrediting agency and state authorizing agency are NOT required for this change.

BEST COPY AVAILABLE

Chart 2

⇒ **Changes you must report to us, followed by the question number from the application. For these changes, you do NOT need our written approval or acknowledgment before you disburse federal student financial aid on the basis of the changes.**

To report a change in...	Use...
Name of institution[†]	Question 2
Name of CEO/president/chancellor	**Question 10**
Name of chief fiscal officer/financial officer	Question 11
Principal location–address change only[†]	**Question 29**
Other locations–address change only[†]	Question 29
Third-party servicers that deal with federal student financial aid	**Question 58**
For private nonprofit and for-profit institutions (NOT public institutions)	
Board of directors (but NOT trustees)	**Question 20**
For foreign schools only (including foreign graduate medical schools)	
Postsecondary authorization	**Question 42**
Degree authorization	Question 43
Program equivalence	**Question 44**
Program criteria	Question 45
U.S. administrative and/or recruitment offices	**Question 46**
For foreign graduate medical schools only	
Facility at which you provide graduate medical instruction	**Question 47**
Authorizing entity	Question 48
Approval of authorizing entity	**Question 49**
Length of program	Question 50
Programs located in the U.S.	**Question 51**

[†] As soon as you have received approvals for the change from your accrediting agency and state authorizing agency, you must send us copies of the approvals for the change. We expect that within 35 days after we receive all of your information, either we will send you a letter of acknowledgment, or we will ask you to submit a new application.

Chart 2
(page 1 of 2)

Chart 2 (continued)

Notifying us of any of these changes is a one-step process. No later than 10 calendar days after the change is made, send us:

- a letter on your institution's letterhead stating—
    - ◊ the date the change was made,
    - ◊ your 8-digit Office of Postsecondary Education Identification (OPE ID) number, and
    - ◊ your 9-digit Employer Identification Number (EIN);
- the portion of the application on which you have entered the information that has changed; and
    - ◊ (Include any documentation asked for in the question. If necessary, use the space provided in Question 69 to supply additional information or explanations.)
- Section L of the application that contains the original signature of the appropriate person.

Chart 2
(page 2 of 2)

Loss of Eligibility

A school loses eligibility if it:

- changes ownership,
- closes,
- ceases to provide eligible educational programs,
- allows its PPA to expire, **or**
- fails to meet eligibility requirements.

However, a school must still fulfill various close-out obligations to ED as described in the Handbook.

ED may take corrective actions and impose sanctions on schools, such as:

- collecting from schools any improperly used Title IV funds,
- imposing fines, **or**
- imposing limitations, suspension, or termination actions.

Review Quiz

Use *The 1998-99 Federal Student Financial Aid Handbook*, pages 3-9 through 3-20, to find the answers to the following questions.

1. Which two types of applicants may a school admit as regular students?

   ____

   ____

2. ATB stands for __________ __________ __________. It is a:

   a. school eligibility requirement

   b. state eligibility requirement

   c. student eligibility requirement

3. Which type of institution must meet the "85/15 Rule" to be eligible to participate in Title IV aid?

   a. public

   b. proprietary

   c. private

   d. all of the above

4. Which two Title IV programs are excluded as revenue from Title IV program funds when calculating the "85/15" Rule?

   __________ ______________________________

   __________ ______________________________

5. Define the "Two-Year" Rule.

   ____

   ____

BACK AT THE OFFICE

Back at the office, you should:

- Verify that your school is properly accredited by a nationally recognized accrediting agency.
- If your school is accredited by several nationally recognized accrediting agencies, select the **one** agency your school will designate for ED to use in determining your eligibility and continued eligibility.
- Read the Handbook, Chapter 3, Sections One and Two on institutional and program eligibility and administrative and fiscal standards.
- Read DCL GEN-97-11 on the new electronic requirements.
- Read DCL GEN-97-6 on the changes that must be reported to ED.
- Read DCL GEN-95-26 on the 85/15 rule.
- ______________________________
- ______________________________
- ______________________________

REMINDER:	**You can access and print any *Dear Colleague Letters* at http://ifap.ed.gov**

ANSWER KEY

Review Quiz

Use *The 1998-99 Federal Student Financial Aid Handbook,* pages 3-9 through 3-20, to find the answers to the following questions.

1. Which two types of applicants may a school admit as regular students?

   Persons with a high school diploma (or its recognized equivalent)

   or

   Persons beyond the age of compulsory school attendance who have the ability to benefit from a postsecondary education.

2. ATB stands for **ability to benefit**. It is a:

   a. school eligibility requirement

   b. state eligibility requirement

   c. **student eligibility requirement**

3. Which type of institution must meet the 85/15 Rule to be eligible to participate in Title IV aid?

   a. public **b. proprietary**

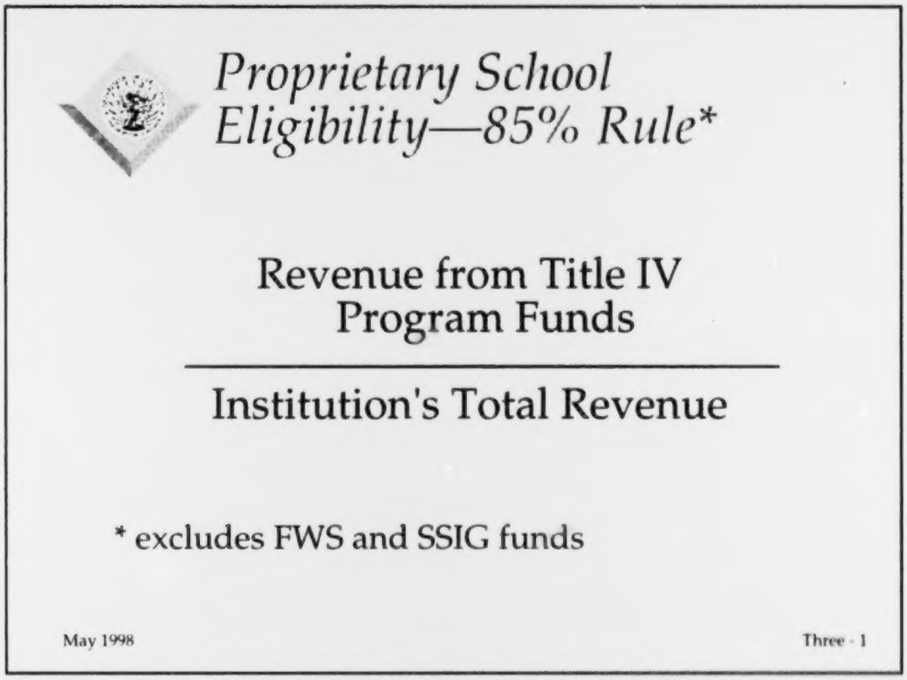
   c. private d. all of the above

4. Which two Title IV programs are excluded as revenue from Title IV program funds when calculating the 85/15 Rule?

   Federal Work-Study (FWS) and State Student Incentive Grant (SSIG)

5. Define the "Two-Year" Rule.

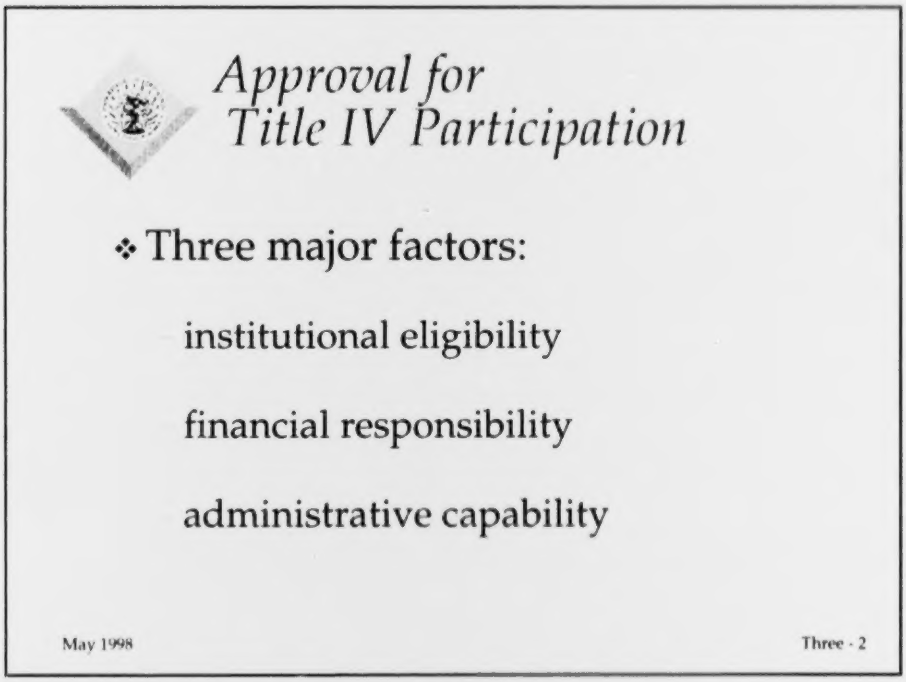
   To be eligible to apply for Title IV participation, proprietary schools and postsecondary vocational institutions must have been providing continuous postsecondary instruction to prepare students for gainful employment in a recognized occupation for at least two consecutive years (24 months).



Proprietary School Eligibility—85% Rule*

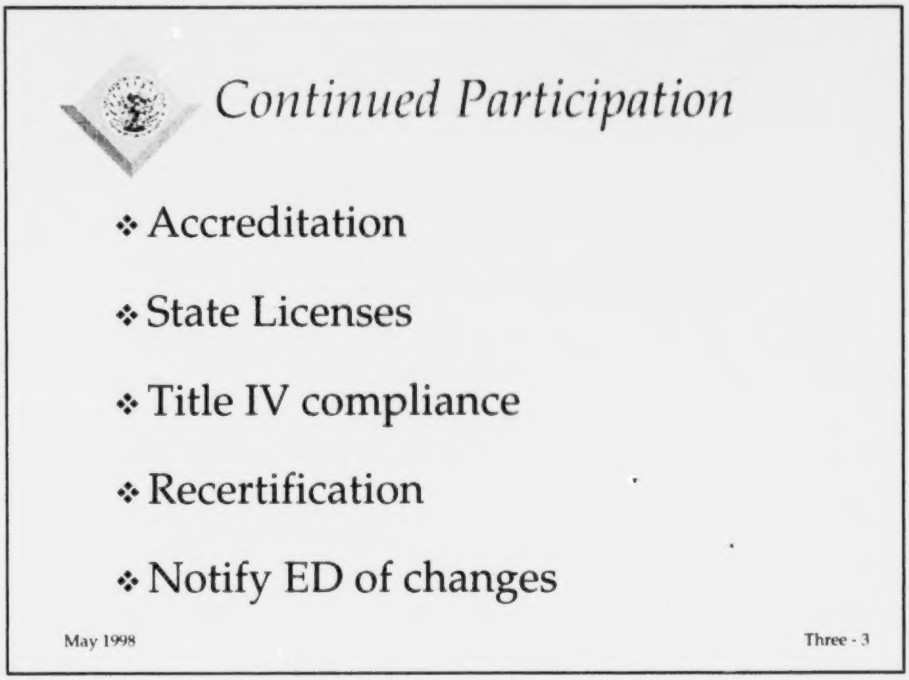
$$\frac{\text{Revenue from Title IV Program Funds}}{\text{Institution's Total Revenue}}$$

* excludes FWS and SSIG funds



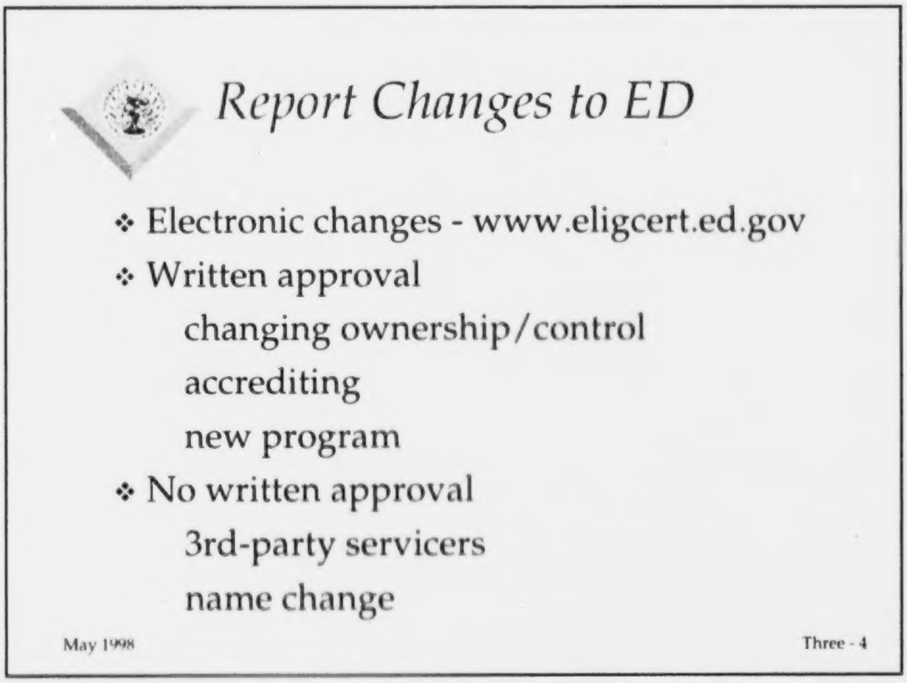
Approval for Title IV Participation

- Three major factors:
  - institutional eligibility
  - financial responsibility
  - administrative capability



Continued Participation

- Accreditation
- State Licenses
- Title IV compliance
- Recertification
- Notify ED of changes



Report Changes to ED

- Electronic changes - www.eligcert.ed.gov
- Written approval
  - changing ownership/control
  - accrediting
  - new program
- No written approval
  - 3rd-party servicers
  - name change

Session 4 - School Responsibilities

By the end of this session, you will be able to:

- ***describe ED's "bottom line" for Title IV funds management,***
- ***identify major student aid management systems that schools must maintain, and***
- ***locate federal regulations on financial and administrative requirements that schools must meet.***

RESOURCES

- *The 1998-99 Federal Student Financial Aid Handbook,* Chapter 3
- *34 CFR 668*
- Appendix E — Financial Aid Calendar

SESSION CONTENTS

1. Need to Know
   - Lecture notes
   - Chart — Title IV Administrative Capability Standards
2. Practice
   - Worksheet — Major Systems of Student Financial Aid Management
   - Case Studies

BEST COPY AVAILABLE

SESSION CONTENTS (cont'd)

3. Back at the Office
4. Answer Key

NEED TO KNOW

ED's BOTTOM LINE

Educational value

- Accreditation
- Approved state and accreditor policies
- Consumer information
- Student academic qualifications and progress

Compliance with federal rules

- Program Participation Agreement
- Initial and periodic certification of eligibility
- Audits and other reviews
- Financial responsibility - Section 668.171
- Administrative capability - Section 668.16
- Evaluation and supervision of third-party servicers - Section 668.25
- Payment of refunds - Section 668.22
- Other compliance requirements - Section 668.14

Financial Responsibility

Schools must meet four standards to be considered financially responsible.

1. School must have Equity, Primary, and Net Income Ratios yield composite score of at least 1.5.
2. School must have sufficient cash reserves to make required refunds.
3. School must be current in debt payments.
4. School must meet all financial obligations, including making refunds and being paid up in debts and liabilities tied to Title IV.

Correct awards to eligible students

- Data matches with ED's central application system
- Law and rules on award amounts, student eligibility, payment procedures
- Training and customer support

CONTROL OF FEDERAL FUNDS BY ED

How does the school get the funds?

- Award Notification Letter
- Request funds through GAPS and use ACH or FEDWIRE

How does the school maintain the funds?

- Set up bank account
- Disburse within three days or return funds

How does the school return funds?

- Methods (check, ACH, FEDWIRE)
- Allowable interest

BEST COPY AVAILABLE

SCHOOL STRUCTURES FOR MANAGING STUDENT AID FUNDS

Staff Assignments

- Selecting person(s) taking the lead for each task
- Assigning quality-control responsibilities
- Determining number of personnel needed
- Determining skills of personnel needed

Policies

- Determining SFA packaging guidelines for students in each academic program
- Creating satisfactory academic progress (SAP) standards
- Establishing an appeal process for students subject to loss of student aid eligibility
- Designing a school refund policy

Schedules (School Calendar)

- Processing admissions, SFA applications, award letters
- Requesting funds from ED
- Disbursing financial aid to students
- Returning unearned funds to ED's Title IV accounts or FFEL lenders
- Preparing required reports and audits in time to meet deadlines

Title IV Administrative Capability Standards

A school is administratively capable if it:

- participates in the required electronic processes (eg., TIV WAN and the Internet);
- administers Title IV programs in accordance with all Title IV requirements;
- designates a capable individual to be responsible for administering Title IV programs;
- has adequate staffing for administering Title IV programs;
- communicates to the individual responsible for administering Title IV programs all information that bears on a student's Title IV eligibility;
- has written procedures for administering Title IV programs;
- administers Title IV programs with adequate checks and balances in its system of internal controls;
- divides the functions of authorizing Title IV payments and disbursing/delivering Title IV funds so that the functions are carried out by at least two (2) organizationally independent individuals;
- establishes and maintains required Title IV records;
- for purposes of determining student eligibility for Title IV assistance: establishes, publishes, and applies reasonable standards for measuring whether a student is maintaining satisfactory academic progress in completing his/her educational program;
- develops an adequate system for resolving discrepancies in information related to a student's application for Title IV assistance;
- refers to ED's Office of Inspector General information indicating when an applicant for financial aid, employee, or agent of the school might have engaged in fraud or other criminal misconduct in connection with Title IV programs;
- provides adequate financial aid counseling to Title IV program applicants;
- submits all required Title IV program reports in a timely manner, including required fiscal reports and financial statements;
- does not demonstrate any significant problems in its ability to administer Title IV Programs;
- does not have any individual affiliated with the school who is/has been debarred or suspended or is engaging in any activity that is cause for suspension or debarment under Executive Order 12549 or the Federal Acquisition Regulation;
- for a school that seeks initial participation in a Title IV program: does not have more than 33% of its students withdraw during an academic year;
- has a cohort default rate* of less than 25% under the Federal Family Education Loan Program and/or Direct Loan Program for each of the three (3) most recent fiscal years and equal to or less than 15% under the Federal Perkins Loan Program; and
- does not appear to lack the ability to administer Title IV programs competently.

***If a school is determined not to be administratively capable on the basis of this standard only, ED will provisionally certify the school's participation in Title IV programs.**

BEST COPY AVAILABLE

MAJOR SYSTEMS OF STUDENT FINANCIAL AID MANAGEMENT

As the instructor names each system, you are to determine which of the three major officials at your school (CEO/President, Financial Aid Administrator, or Fiscal Officer) is primarily responsible for—or will be—designing and maintaining it. You will also want to fill in the initials CEO/P, FAA, FO, or more than one (if appropriate) on the line provided next to the listed responsibility.

Who in your school is—or will be—responsible for:

1. Handling internal communications and coordination among all school offices? ____________
2. Providing external communications with organizations outside the school? ____________
3. Collecting and publishing student consumer information? ____________
4. Counseling student financial aid recipients? ____________
5. Developing and updating student budgets? ____________
6. Processing student financial aid applications and confirming student eligibility? ____________
7. "Packaging" student financial aid and issuing award letters? ____________
8. Disbursing student aid funds, receiving student aid payments, and issuing refunds? ____________
9. Tracking student academic records and checking academic progress? ____________
10. Maintaining records on student eligibility and payment (known as maintaining a "clear audit trail")? ____________
11. Reporting on expenditures? ____________
12. Providing quality control—internal oversight that checks to be sure that all functions are being handled correctly? ____________

Case Studies

Instructions

For this exercise, look at these case studies that show examples of the sort of decisions that schools regularly have to make, then write what you think should be done in each case. References to the Compilation of Student Aid Regulations are given with each case study.

Case Study 1: Gemma Stark

Dave Sutton, the business manager of Winsom Beauty Academy, won the top prize from Publisher's Clearinghouse and cleared out his desk at Winsom giving two hours notice. George Bright, Winsom's CEO since 1995, was surprised, but he wasn't too concerned about disbursing student aid payments to the new class of 20 students that had just enrolled. The reason: The school's financial aid officer, Gemma Stark, was known to be thoroughly familiar with all of the student aid procedures at the school (she had been there for 10 years longer than George). He called Gemma to his office and said that he would have to ask her to take on the task of writing student checks, along with working up students' award packages, until Dave could be replaced. George assured Gemma that she would receive a nice bonus for this extra work, and said how glad he was to have someone on the staff who could be trusted to handle all of the important Title IV requirements.

References: 34 CFR 668.16(c)

What should Gemma reply? Why?

BEST COPY AVAILABLE

Case Study 2: Minna Lake

Minna Lake has agreed to try something new after many years of successful cello teaching and assumed the job of student aid director at Sterling School of Music. Learning of an ED-sponsored Title IV Update Training workshop in the nearest ED regional-office city (about 300 miles away), she asks Strobe Leight, the school's director, to approve her travel to the workshop. Strobe says, "Minna, I just don't see how we can spare you for four days with the backlog of work that's piled up since Sergio left for the Met. You can go to some training later this year."

Reference: 34 CFR 668.16(b)

Is this a wise decision by Strobe? Why or why not?

Case Study 3: Callie Fahey

"How disappointing that nice young man turned out to be a crook," thought Callie Fahey, Frasker Junior College's financial aid director. Her reaction came after Frank Linn, her counterpart at Sanger Tech, gave her evidence that freshman Jed Hart had used a false name and Social Security number to get Pell Grants at both Frasker and Sanger at the same time. "Oh, well, he's apparently left town, so it's not my problem anymore," she shrugged.

References: 34 CFR 668.16(g)

Whose problem is it? Why?

BACK AT THE OFFICE

Back at the office, you should:

- Carefully read federal regulations on Title IV administrative capability and financial responsibility.
- Evaluate your student aid staff resources.
- Review your school's mechanisms for requesting, maintaining, and returning Title IV funds.
- ____
- ____
- ____

REMINDER: **You can search, access and print the federal regulations at http://ifap.ed.gov**

BEST COPY AVAILABLE

ANSWER KEY

Case Study 1: Gemma Stark

What should Gemma reply? Why?

Gemma must remind George of one of the most important standards of administrative capability for schools using Title IV funds: "separation of functions." This means that the person or office that authorizes payments to students and the person or office that disburses or delivers funds must be organizationally independent of each other.

Case Study 2: Minna Lake

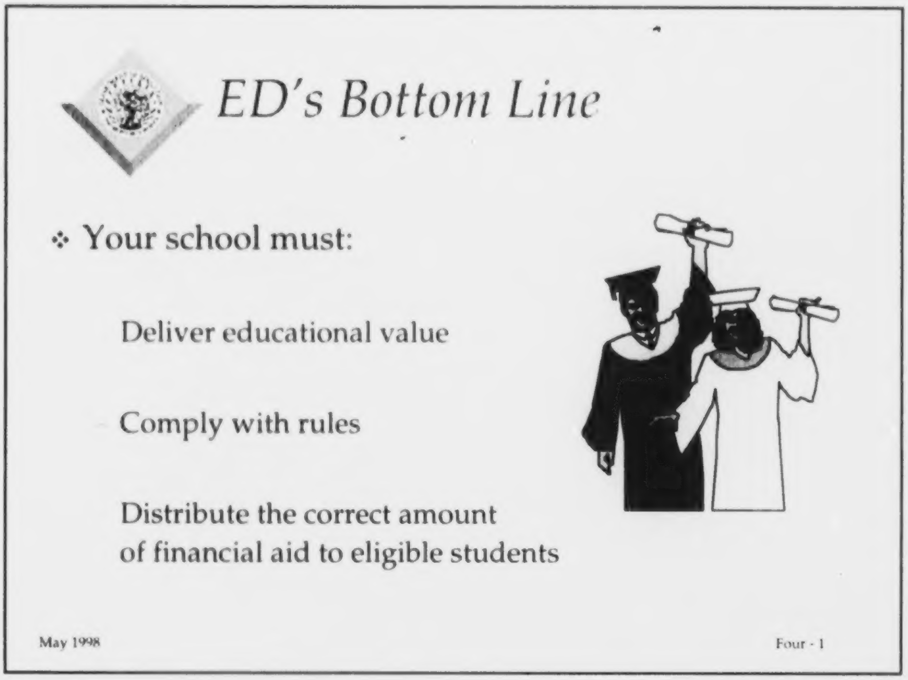
Is this a wise decision by Strobe? Why or why not?

Strobe should work with Minna to find a way for her to attend a major training series sponsored by ED. Regulations cite professional financial aid training as a key factor in evaluating the qualifications of school personnel responsible for administering Title IV programs. This is especially important for staff that are new to the profession. Although office workload must be taken into account, timely training of staff helps to ensure that their work is based on current and correct information.

Case Study 3: Callie Fahey

Whose problem is it? Why?

School personnel must report to authorities any known cases of fraud involving Title IV funds. This responsibility is shared by all persons who have the information.



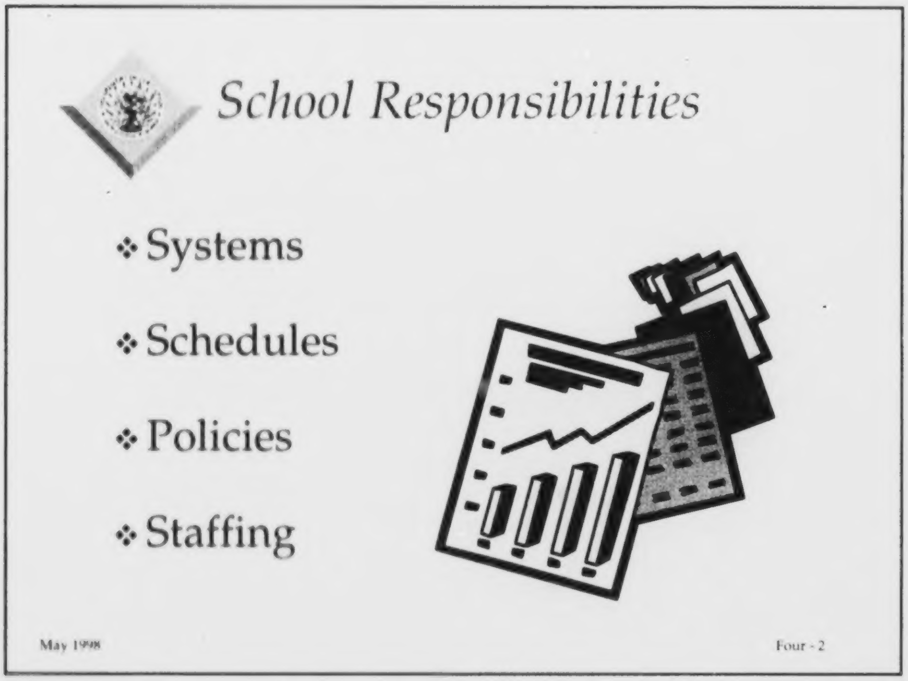
ED's Bottom Line

- Your school must:

  Deliver educational value

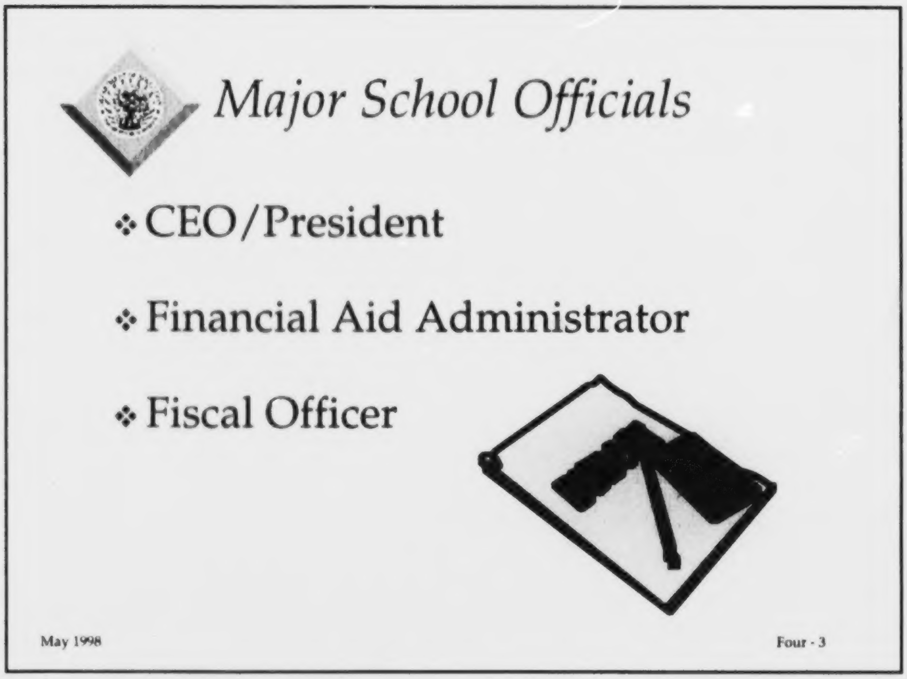
  Comply with rules

  Distribute the correct amount of financial aid to eligible students



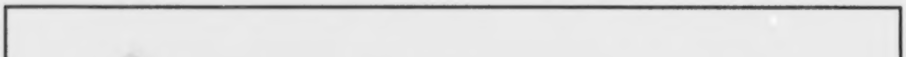
School Responsibilities

- Systems
- Schedules
- Policies
- Staffing



Major School Officials

- CEO/President
- Financial Aid Administrator
- Fiscal Officer



Your School

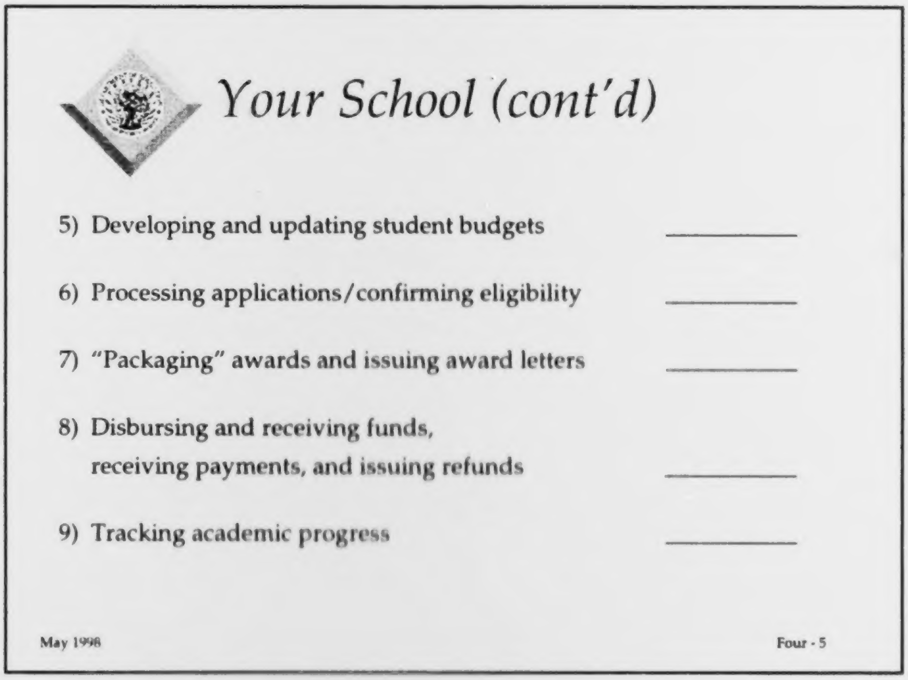
- **Who in your office is—or will be—responsible for:**

1) Handling internal communications __________

2) Providing external communications __________

3) Collecting and publishing student consumer information __________

4) Counseling student aid recipients __________



Your School (cont'd)

5) Developing and updating student budgets ____________

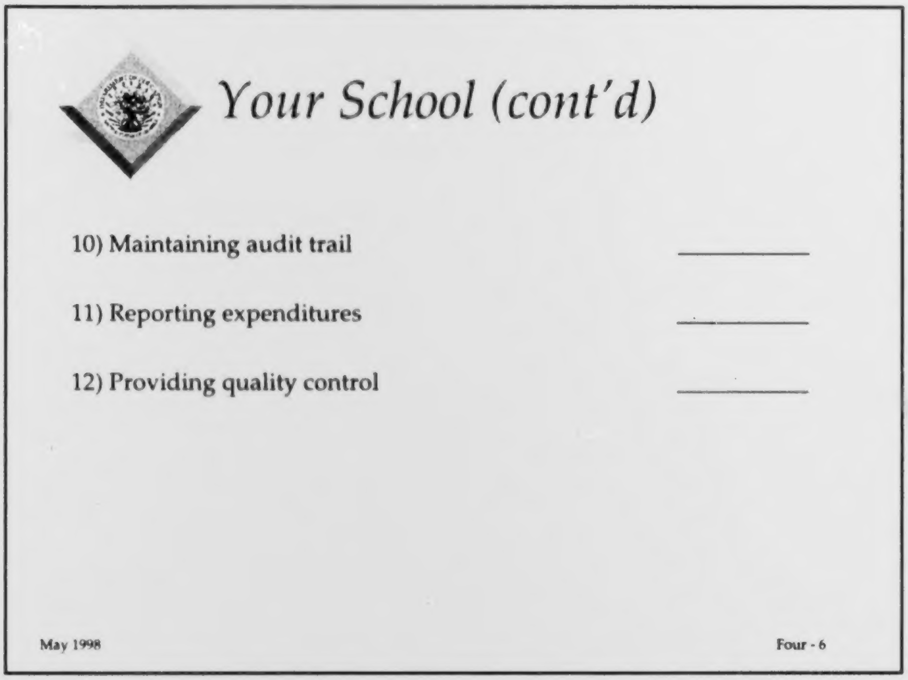
6) Processing applications/confirming eligibility ____________

7) "Packaging" awards and issuing award letters ____________

8) Disbursing and receiving funds,
receiving payments, and issuing refunds ____________

9) Tracking academic progress ____________

May 1998 Four - 5



Your School (cont'd)

10) Maintaining audit trail ____________

11) Reporting expenditures ____________

12) Providing quality control ____________

May 1998 Four - 6

Session 5 - Title IV Reporting Requirements

By the end of this session, you will be able to:

- ***identify the major reporting requirements and reporting deadlines for Title IV programs.***

RESOURCES

- *The 1998-99 Federal Student Financial Aid Handbook,* Chapter 3 and Chapter 5
- *The Blue Book,* Chapter 4 and Chapter 6
- 34 CFR 668.166
- *"Dear Colleague" Letters:*
  - *"Dear Colleague" Letters GEN-96-5, GEN-96-7* (sent to the school president), and *GEN-96-17.* These DCLs contain the current process and procedures schools must use to submit a Student Status Confirmation Report (SSCR) using the National Student Loan Data System (NSLDS). DCL GEN-96-5 contains the SSCR User's Guide.
  - *"Dear Colleague" Letter CB-98-2* (1999-2000 FISAP)
- Appendix E in the Workbook contains a financial aid calendar that lists reporting deadlines for each month.
- *Payee's Guide for the Grant Administration and Payment System (GAPS)*
- *1998-99 Direct Loan Technical Reference*

BEST COPY AVAILABLE

SESSION CONTENTS

1. Need to Know
    - Chart — Reporting Requirements for Title IV Programs
    - Chart — Reporting Deadlines for Title IV Programs (See also Appendix E)
    - Draft of 1999-2000 FISAP
2. Practice
    - Review Quiz
3. Back at the Office
4. Answer Key

NEED TO KNOW

- Schools submit a number of important reports to ED. (See "Reporting Requirements for Title IV Programs" chart on page 3.)
- Schools **must** submit information on the reports as required and on time. (See "Reporting Deadlines for Title IV Programs, 1998-99 Award Year" chart on page 4.)
- Excess cash requirements are in the General Provisions, section 668.166.

Reporting Requirements for Title IV Programs

Required Reports	Federal Pell Grant	Campus-Based (FSEOG, FWS, Federal Perkins)	Federal Family Education Loans	Federal Direct and Federal Direct PLUS Loans
Student Payment Summary (SPS)	✓			
FISAP (due October 1)		✓		
Federal Perkins Safeguard Activity Report (due August 31)		**(Perkins only)**		
Student Status Confirmation Report (SSCR) sent periodically			✓	✓
Loan Reconciliation (monthly; sent by Direct Loan Servicing Center)				✓
Annual Nonfederal SFA Audits	✓	✓	✓	✓
Campus Security Act Report, Student Right to Know, & Equity in Athletics Disclosure	Not tied to a specific program			

Reporting Deadlines for Title IV Programs, 1998-99 Award Year

Program	July 1998	Aug	Sept	Oct	Nov	Dec	Jan 1999	Feb	Mar	Apr	May	June
All programs	Both the financial audit and the program compliance audit are due within 6 months of the end of the institution's or third-party servicer's fiscal. (Exception: Single Audit Act audits; see *The Blue Book* for details)											
Campus-Based (FSEOG, FWS, Federal Perkins Loans)		Perkins Safeguard Activity Report 8/31		FISAP[2]								
Federal Pell Grants			SPS[1]									
Federal Family Education Loans	Student Status Confirmation Reports (SSCRs) received from ED's NSLDS must be returned within 30 days of receipt.											
Federal Direct and Federal Direct PLUS Loans	Student Status Confirmation Reports (SSCRs) received from ED's NSLDS must be returned within 30 days of receipt; *and* DLSAS reports must be checked, and errors must be reported											

---

[1] Final SPS for award year end 1997-98

[2] The FISAP includes the Perkins Report of Defaulted Loans, due October 1, 1998 to report on 1997-98 expenditures.

BEST COPY AVAILABLE

GAPS Information

Ways to Get Help:

Self-training & Payee's Guide:	GAPSWEB.ed.gov/training

- To use the training site, enter "gapsuser" for the User ID, click onto the Password field, and type "training" for the password.

Web Page:	www.ed.gov/offices/OCFO
E-mail Questions:	GAPS_Payments@ed.gov
Hotline:	888-336-8930

NEED TO KNOW (cont'd)

ED form 646-1
OMB No 1840-0073
Expires 04/30/2000

FISCAL OPERATIONS REPORT AND APPLICATION TO PARTICIPATE (FISAP)
REPORT: AWARD PERIOD JULY 1, 1997 - JUNE 30, 1998; APPLICATION: AWARD PERIOD JULY 1, 1999 - JUNE 30, 2000

PART I. IDENTIFYING INFORMATION, CERTIFICATIONS AND WARNING

SECTION A. IDENTIFYING INFORMATION
1a. NAME AND ADDRESS OF INSTITUTION

2a. SERIAL NO: _______ 2b. OPEID#: _______________
3. ENTITY NO. 1-__-__-_____-__

1b.. MAILING ADDRESS (if different from 1a)

NAME AND/OR ADDRESS CHANGE:

DRAFT

EIN# CHANGE: 1-__-___-_____-__

OPEID# CHANGE: _________

ADDITIONAL LOCATIONS:
INSTITUTIONS WITH SEPARATELY ELIGIBLE ADDITIONAL LOCATIONS WHICH WILL BE FUNDED UNDER THIS APPLICATION MUST LIST THESE LOCATIONS AND THEIR ADDRESSES AND OPEID#'S ON THE NEXT SCREEN. YOU MAY NOT FILE A SEPARATE APPLICATION FOR ANY SEPARATELY ELIGIBLE INSTITUTION LISTED HEREIN.

WE HAVE ENTERED A LIST OF SEPARATELY ELIGIBLE ADDITIONAL LOCATIONS INCLUDED IN THIS APPLICATION. YES __ NO __

4. TYPE OF INSTITUTION (SELECT ONE)

__4.1 PUBLIC
__4.2 PRIVATE/NON-PROFIT
__4.3 PROPRIETARY

__ A) ART
__ B) BUSINESS
__ C) COSMETOLOGY
__ D) TRADE & TECHNICAL
__ E) OTHER

5. LENGTH/TYPE OF LONGEST PROGRAM (SELECT ONE)

__ 5.1 LESS THAN 1 YEAR
__ 5.2 1 YEAR BUT LESS THAN 2 YEARS
__ 5.3 2 YEARS BUT LESS THAN 3 YEARS
__ 5.4 3 YEARS BUT LESS THAN 4 YEARS
__ 5.5 4 YEARS (NO HIGHER THAN A BACCALAUREATE DEGREE)
__ 5.6 5 YEARS OR MORE
__ 5.7 POSTBACCALAUREATE ONLY

SECTION B. CERTIFICATIONS AND WARNING

WE CERTIFY THAT THE INFORMATION CONTAINED IN THIS FISAP IS IN COMPLIANCE WITH GOVERNING LEGISLATION AND REGULATIONS AND IS TRUE AND ACCURATE TO THE BEST OF OUR KNOWLEDGE. WE UNDERSTAND THAT THE INFORMATION IS SUBJECT TO AUDIT AND PROGRAM REVIEW BY REPRESENTATIVES OF THE SECRETARY OF EDUCATION.

* WARNING: ANY PERSON WHO KNOWINGLY PROVIDES FALSE OR MISLEADING INFORMATION ON THIS FISAP WILL BE SUBJECT TO A FINE OF UP TO $10,000 OR TO IMPRISONMENT OF UP TO 5 YEARS OR TO BOTH UNDER PROVISIONS OF THE UNITED STATES CRIMINAL CODE TITLE 18 SECTION 1001. *

6. Chief Executive Officer (President, Chancellor, Owner, etc.)

SIGNATURE ____________________
TYPED NAME ____________________
DATE SIGNED ______
TELEPHONE NO (___)___-___
FAX PHONE NO (___)___-___

7. FINANCIAL AID ADMINISTRATOR

SIGNATURE ____________________
TYPED NAME ____________________
DATE SIGNED ______
TELEPHONE NO (___)___-___
FAX PHONE NO (___)___-___

8. CHIEF FISCAL OFFICER

SIGNATURE ____________________
TYPED NAME ____________________
DATE SIGNED ______
TELEPHONE NO (___)___-___
FAX PHONE NO (___)___-___

9. Name and Address of Private Financial Aid Consultant Firm
Name: ____________________
Address1: ____________________
Address2: ____________________
City: ______________ State: __ Zip: ____

ED form 646-1
OMB No 1840-0073
Expires 04/30/2000

APPLICATION, PART II
NAME OF INSTITUTION: ________________________ SERIAL NUMBER: ___ ENTITY NUMBER: 1-__-___-___-__
STATE: __

PART II. APPLICATION TO PARTICIPATE FOR AWARD YEAR JULY 1,1999 THROUGH JUNE 30, 2000

SECTION A. REQUEST FOR FUNDS FOR THE 1999-2000 AWARD YEAR

1. FEDERAL PERKINS LOAN LEVEL OF EXPENDITURES $ _______
2. FEDERAL PERKINS LOAN FEDERAL CAPITAL CONTRIBUTION $ _______
3. FSEOG FEDERAL FUNDS $ _______
4. FWS FEDERAL FUNDS $ _______

DRAFT

SECTION B. FWS AND/OR FSEOG INSTITUTIONAL SHARE WAIVER REQUEST

(APPLIES ONLY TO CERTAIN INSTITUTIONS; SEE INSTRUCTIONS)

5. I WISH TO APPLY FOR A WAIVER BECAUSE OUR INSTITUTION IS DESIGNATED AS ELIGIBLE FOR TITLE III.

5.1 FWS __ YES __ NO

5.2 FSEOG __ YES __ NO

SECTION C. FEDERAL PERKINS LOAN PROGRAM-EXPANDED LENDING OPTION (ELO) PARTICIPATION REQUEST

(APPLIES ONLY TO CERTAIN INSTITUTIONS; SEE INSTRUCTIONS)

6. MY INSTITUTION WISHES TO PARTICIPATE IN ELO AND A SIGNED INSTITUTIONAL AGREEMENT FOR PARTICIPATION IS ENCLOSED.

__ YES __ NO

SECTION D. FEDERAL PERKINS LOAN PROGRAM LIQUIDATION REQUEST

(APPLIES ONLY TO CERTAIN INSTITUTIONS; SEE INSTRUCTIONS)

7. MY INSTITUTION WISHES TO DISCONTINUE PARTICIPATION IN THE FEDERAL PERKINS LOAN PROGRAM.

__ YES __ NO

SECTION E: WAIVER REQUEST FOR THE UNDER USE OF FUNDS

MY INSTITUTION WILL RETURN MORE THAN 10 PERCENT OF ITS FEDERAL PERKINS LOAN, FSEOG, OR FWS ALLOCATION FOR THE 1997-98 AWARD YEAR.

8. I AM REQUESTING A WAIVER OF THE PENALTY FOR THE UNDER USE OF FUNDS AND HAVE PROVIDED A WRITTEN EXPLANATION OF THE CIRCUMSTANCES ON THE ADDITIONAL INFORMATION SCREEN.

---YES ----NO

DRAFT

ED form 646-1
OMB No 1840-0073
Expires 04/30/2000

APPLICATION, PART II
NAME OF INSTITUTION: ____________________ SERIAL NUMBER: ___ ENTITY NUMBER: 1-__-__-___-__
STATE: _

SECTION F. INFORMATION ON ENROLLMENT

(INSTITUTIONS WITH TRADITIONAL CALENDAR)
NSTITUTIONS THAT HAD 1997-98 ENROLLMENT, FILL IN LINE 9

	(A) UNDERGRADUATE	(B) GRADUATE/PROFESSIONAL
9. TOTAL NUMBER OF STUDENTS, 1997-98		

INSTITUTIONS THAT DID NOT HAVE 1997-98 ENROLLMENT, FILL IN LINES 10 AND 11

	(A) UNDERGRADUATE	(B) GRADUATE/PROFESSIONAL
10. ESTIMATED NUMBER OF STUDENTS, 1998-99		
11. PROJECTED NUMBER OF STUDENTS, 1999-2000		

(INSTITUTIONS WITH TRADITIONAL CALENDAR)

	(A) CONTINUING STUDENTS	(B) NEW STARTS
12. JULY 1,1997		
13. AUGUST 1		
14. SEPTEMBER 1		
15. OCTOBER 1		
16. NOVEMBER 1		
17. DECEMBER 1		
18. JANUARY 1,1998		
19. FEBRUARY 1		
20. MARCH 1		
22. APRIL 1		
22. MAY 1		
23. JUNE 1,1998		
24. TOTAL		

SECTION G. ASSESSMENTS AND EXPENDITURES

	(A) UNDERGRADUATE	(B) GRADUATE/PROFESSIONAL
25. TOTAL TUITION AND FEES FOR THE AWARD YEAR JULY 1,1997 - JUNE 30,1998	$	$
26. TOTAL FEDERAL PELL EXPENDITURES FOR THE 1997-98 AWARD YEAR	$	
27. TOTAL EXPENDED FOR STATE GRANTS AND SCHOLARSHIPS MADE TO UNDERGRADUATES FOR THE AWARD YEAR JULY 1,1997 TO JUNE 30,1998	$	

SECTION H. INFORMATION ON ELIGIBLE AID APPLICANTS FOR AWARD YEAR 1997-98

	DEPENDENT				INDEPENDENT		
	(A)	(B)	(C)		(D)	(E)	(F)
	UNDERGRADUATE				UNDERGRADUATE		GRADUATE/ PROFESSIONAL
	BACCALAUREATE/ 1ST PROFESSIONAL DEGREE		LESS THAN FULL TIME		BACCALAUREATE/ 1ST PROFESSIONAL DEGREE		
	WITHOUT	WITH			WITHOUT	WITH	
28. STUDENTS WITH AN "AUTOMATIC" ZERO EFC							
TAXABLE & UNTAXED INCOME				TAXABLE & UNTAXED INCOME			
29. $ 0 - $ 2,999				$ 0 - $ 999			
30. $ 3,000 - $ 5,999				$ 1,000 - $ 1,999			
31. $ 6,000 - $ 8,999				$ 2,000 - $ 2,999			
32. $ 9,000 - $ 11,999				$ 3,000 - $ 3,999			
33. $12,000 - $ 14,999				$ 4,000 - $ 4,999			
34. $15,000 - $ 17,999				$ 5,000 - $ 5,999			
35. $18,000 - $ 23,999				$ 6,000 - $ 7,999			
36. $24,000 - $ 29,999				$ 8,000 - $ 9,999			
37. $30,000 - $ 35,999				$10,000 - $ 11,999			
38. $36,000 - $ 41,999				$12,000 - $ 13,999			
39. $42,000 - $ 47,999				$14,000 - $ 15,999			
40. $48,000 - $ 53,999				$16,000 - $ 17,999			
41. $54,000 - $ 59,999				$18,000 - $ 19,999			
42. $60,000 & OVER				$20,000 & OVER			
43. TOTAL				TOTAL			

DRAFT

ED form 646-1
OMB No 1840-0073
Expires 04/30/2000

FISCAL OPERATIONS REPORT, PART III
NAME OF INSTITUTION: ____________________ SERIAL NUMBER: ___ ENTITY NUMBER: 1-__-___-___-__
STATE: __
PART III. FEDERAL PERKINS LOAN PROGRAM, SECTION A - FISCAL REPORT (CUMULATIVE) AS OF JUNE 30, 1998

LINE	ITEM (A)	NO OF BORROWERS (B)	DEBIT BALANCES (C)	CREDIT BALANCES (D)
1.1	CASH ON HAND AND IN DEPOSITORY AS OF 06/30/98	XXXXXXXXX	$ ________	XXXXXXXXXXX
1.2	CASH ON HAND AND IN DEPOSITORY AS OF 10/31/98 $ ________	XXXXXXXXX	XXXXXXXXXXX	XXXXXXXXXXX
2	FUNDS RECEIVABLE FROM FEDERAL GOVERNMENT	XXXXXXXXX	$ ________	XXXXXXXXXXX
3	FUNDS RECEIVABLE FROM INSTITUTION	XXXXXXXXX	$ ________	XXXXXXXXXXX
4	FUNDS ADVANCED TO STUDENTS	______	$ ________	XXXXXXXXXXX
5	LOAN PRINCIPAL COLLECTED	______	XXXXXXXXXXX	$ ________
6	LOAN PRINCIPAL ASSIGNED TO AND ACCEPTED BY THE UNITED STATES	______	XXXXXXXXXXX	$ ________
7	TOTAL LOAN PRINCIPAL CANCELED ON LOANS MADE PRIOR TO 07/01/72	______	XXXXXXXXXXX	$ ________
	FOR TEACHING/MILITARY SERVICE	XXXXXXXXX	XXXXXXXXXXX	XXXXXXXXXXX
8	LOAN PRINCIPAL CANCELED FOR CERTAIN SUBJECT MATTER TEACHING SERVICE	______	XXXXXXXXXXX	$ ________
	(MATH, SCIENCE, FOREIGN LANGUAGES, BILINGUAL EDUCATION) ON LOANS MADE	XXXXXXXXX	XXXXXXXXXXX	XXXXXXXXXXX
	07/23/92 AND AFTER	XXXXXXXXX	XXXXXXXXXXX	XXXXXXXXXXX
9	LOAN PRINCIPAL CANCELED FOR ALL OTHER AUTHORIZED TEACHING SERVICE	______	XXXXXXXXXXX	$ ________
	ON LOANS MADE 07/01/72 AND AFTER	XXXXXXXXX	XXXXXXXXXXX	XXXXXXXXXXX
10	LOAN PRINCIPAL CANCELED FOR MILITARY SERVICE ON LOANS MADE 07/01/72 AND AFTER	______	XXXXXXXXXXX	$ ________
11	LOAN PRINCIPAL CANCELED FOR VOLUNTEER SERVICE	______	XXXXXXXXXXX	$ ________
12	LOAN PRINCIPAL CANCELED FOR LAW ENFORCEMENT AND CORRECTIONS OFFICER SERVICE	______	XXXXXXXXXXX	$ ________
13	LOAN PRINCIPAL CANCELED FOR CHILD/FAMILY/EARLY INTERVENTION SERVICE	______	XXXXXXXXXXX	$ ________
	ON LOANS MADE 07/23/92 AND AFTER	XXXXXXXXX	XXXXXXXXXXX	XXXXXXXXXXX
14	LOAN PRINCIPAL CANCELED FOR NURSE/MEDICAL TECHNICIAN SERVICE	______	XXXXXXXXXXX	$ ________
	ON LOANS MADE 07/23/92 AND AFTER	XXXXXXXXX	XXXXXXXXXXX	XXXXXXXXXXX
15	LOAN PRINCIPAL CANCELED - DEATH/DISABILITY	______	XXXXXXXXXXX	$ ________
16	LOAN PRINCIPAL CANCELED - BANKRUPTCY	______	XXXXXXXXXXX	$ ________
17	LOAN PRINCIPAL ADJUSTMENTS - OTHER	______	XXXXXXXXXXX	$ ________
18	FEDERAL CAPITAL CONTRIBUTIONS	XXXXXXXXX	XXXXXXXXXXX	$ ________
19	REPAYMENTS OF FUND CAPITAL TO FEDERAL GOVERNMENT	XXXXXXXXX	$ ________	XXXXXXXXXXX
20	INSTITUTIONAL CAPITAL CONTRIBUTIONS	XXXXXXXXX	XXXXXXXXXXX	$ ________
21	REPAYMENTS OF FUND CAPITAL TO INSTITUTION	XXXXXXXXX	$ ________	XXXXXXXXXXX
22	INTEREST INCOME ON LOANS	XXXXXXXX	XXXXXXXXXXX	$ ________
23	OTHER INCOME	XXXXXXXXX	XXXXXXXXXXX	$ ________
24	REIMBURSEMENTS TO THE FUND OF AMOUNTS CANCELED ON LOANS MADE 07/01/72 AND AFTER	XXXXXXXXX	XXXXXXXXXX	$ ________
25.1	ADMINISTRATIVE COST ALLOWANCE $ ________	XXXXXXXXX	XXXXXXXXXXX	XXXXXXXXXXX
25.2	COLLECTION COSTS $ ________	XXXXXXXXX	XXXXXXXXXXX	XXXXXXXXXXX
25.3	ADMINISTRATIVE COST ALLOWANCE AND COLLECTION COSTS (CONTROL)	XXXXXXXXX	$ ________	XXXXXXXXXXX
26	COST OF LOAN PRINCIPAL AND INTEREST CANCELED FOR TEACHING/MILITARY	XXXXXXXXX	$ ________	XXXXXXXXXXX
	SERVICE ON LOANS MADE PRIOR TO 07/01/72	XXXXXXXX	XXXXXXXXXXX	XXXXXXXXXXX
27	COST OF LOAN PRINCIPAL AND INTEREST CANCELED FOR CERTAIN SUBJECT MATTER	XXXXXXXXX	$ ________	XXXXXXXXXXX
	TEACHING SERVICE (MATH, SCIENCE, FOREIGN LANGUAGES, BILINGUAL EDUCATION)	XXXXXXXXX	XXXXXXXXXXX	XXXXXXXXXXX
	ON LOANS MADE 07/23/92 AND AFTER	XXXXXXXXX	XXXXXXXXXXX	XXXXXXXXXXX
28	COST OF LOAN PRINCIPAL AND INTEREST CANCELED FOR ALL OTHER AUTHORIZED TEACHING	XXXXXXXXX	$ ________	XXXXXXXXXXX
	SERVICE ON LOANS MADE 07/01/72 AND AFTER	XXXXXXXXX	XXXXXXXXXXX	XXXXXXXXXXX
29	COST OF LOAN PRINCIPAL AND INTEREST CANCELED FOR MILITARY SERVICE ON	XXXXXXXXX	$ ________	XXXXXXXXXXX
	LOANS MADE 07/01/72 AND AFTER	XXXXXXXXX	XXXXXXXXXXX	XXXXXXXXXXX
30	COST OF LOAN PRINCIPAL AND INTEREST CANCELED FOR VOLUNTEER SERVICE	XXXXXXXXX	$ ________	XXXXXXXXXXX
	IN THE PEACE CORPS OR UNDER THE DOMESTIC VOLUNTEER SERVICE ACT OF 1973	XXXXXXXXX	XXXXXXXXXXX	XXXXXXXXXXX
31	COST OF LOAN PRINCIPAL AND INTEREST CANCELED FOR LAW ENFORCEMENT	XXXXXXXXX	$ ________	XXXXXXXXXXX
	AND CORRECTIONS OFFICER SERVICE	XXXXXXXXX	XXXXXXXXXXX	XXXXXXXXXXX
32	COST OF LOAN PRINCIPAL AND INTEREST CANCELED FOR CHILD/FAMILY/EARLY	XXXXXXXXX	$ ________	XXXXXXXXXXX
	INTERVENTION SERVICE ON LOANS MADE 07/23/92 AND AFTER	XXXXXXXXX	XXXXXXXXXXX	XXXXXXXXXXX
33	COST OF LOAN PRINCIPAL AND INTEREST CANCELED FOR NURSE/MEDICAL	XXXXXXXXX	$ ________	XXXXXXXXXXX
	TECHNICIAN SERVICE ON LOANS MADE 07/23/92 AND AFTER	XXXXXXXXX	XXXXXXXXXXX	XXXXXXXXXXX
34	COST OF LOAN PRINCIPAL AND INTEREST CANCELED BECAUSE OF DEATH/DISABILITY	XXXXXXXXX	$ ________	XXXXXXXXXXX
35	COST OF LOAN PRINCIPAL AND INTEREST CANCELED BECAUSE OF BANKRUPTCY	XXXXXXXXX	$ ________	XXXXXXXXXXX
36	COST OF LOAN PRINCIPAL AND INTEREST ASSIGNED TO AND	XXXXXXXXX	$ ________	XXXXXXXXXXX
	ACCEPTED BY THE UNITED STATES	XXXXXXXXX	XXXXXXXXXXX	XXXXXXXXXXX
37	OTHER COSTS OR LOSSES	XXXXXXXXX	$ ________	XXXXXXXXXXX
38	TOTAL DEBITS AND CREDITS (SUM OF LINES 1 THROUGH 37)	XXXXXXXXX	$ ________	$______

BEST COPY AVAILABLE

DRAFT

ED form 646-1
OMB No 1840-0073
Expires 04/30/2000

FISCAL OPERATIONS REPORT, PART III
NAME OF INSTITUTION: ______________________________ SERIAL NUMBER: ___ ENTITY NUMBER: 1-__-___-___-__
STATE: __

SECTION B. FUND ACTIVITY (ANNUAL) DURING THE 1997-98 AWARD YEAR (JULY 1,1997 THROUGH JUNE 30,1998)

		AMOUNT
1. FINAL ADJUSTED FEDERAL CAPITAL CONTRIBUTION (FCC) AUTHORIZATION	________ DATE OF ADJ	$ ______
2. FCC TRANSFERRED TO:		
a. FSEOG		$ ______
b. FWS		$ ______
3. AMOUNT OF ADJUSTED AUTHORIZED FEDERAL CAPITAL CONTRIBUTION FOR AWARD YEAR 1997-98 NOT REQUESTED FROM ED/PMS BY JUNE 30,1998 (YOUR AWARD WILL BE REDUCED BY THIS AMOUNT NEXT SPRING. SEE INSTRUCTIONS)		$ ______
4. INSTITUTIONAL CAPITAL CONTRIBUTION (ICC) DEPOSITED INTO THE LOAN FUND BETWEEN JULY 1, 1997 AND JUNE 30, 1998.		$ ______
5. LOANS ADVANCED TO STUDENTS FROM THE LOAN FUND DURING THE 1997-98 AWARD YEAR (MINUS 1997-98 AWARD YEAR REFUNDS)		$ ______
6. ADMINISTRATIVE COST ALLOWANCE CLAIMED FOR THE 1997-98 AWARD YEAR (SEE INSTRUCTIONS)		$ ______

	NUMBER OF BORROWERS (A)	AMOUNT (B)
7. TOTAL PRINCIPAL AND INTEREST REPAID BY BORROWERS FROM ALL SOURCES DURING THE 1997-98 AWARD YEAR	_____	$ ______

8. NAME AND ADDRESS OF BILLING AGENT(S)

____
____
____
______________ __ ____

9. IF YOUR INSTITUTION HAS A LOAN OFFICER RESPONSIBLE FOR ADMINISTERING FEDERAL PERKINS LOAN PROGRAM COLLECTIONS (OTHER THAN THE FINANCIAL AID ADMINISTRATOR OR CHIEF FISCAL OFFICER IDENTIFIED IN PART I, SECTION B), PROVIDE THE FOLLOWING INFORMATION:

NAME: ____________________
TITLE: ____________________
TELEPHONE NUMBER: (__) __ ___
(INCLUDING AREA CODE)

DRAFT

ED form 646-1
OMB No 1840-0073
Expires 04/30/2000

FISCAL OPERATIONS REPORT, PART III
NAME OF INSTITUTION: ______________________ SERIAL NUMBER: ___ ENTITY NUMBER: 1-_-__-___-_
STATE: _

SECTION C - CUMULATIVE REPAYMENT INFORMATION AS OF JUNE 30, 1998

STATUS OF BORROWERS AS OF JUNE 30, 1998 (A)	NUMBER OF BORROWERS (B)	AMOUNT LENT (C)	PRINCIPAL AMOUNT OUTSTANDING (D)
1.1 BORROWERS WHOSE LOANS ARE FULLY RETIRED	____	____	XXXXXXXXXXX
1.2 LOANS THAT HAVE BEEN PURCHASED $____	XXXXXXXXX	XXXXXXXXXX	XXXXXXXXXXX
2. BORROWERS WHOSE NOTES WERE ASSIGNED TO AND OFFICIALLY ACCEPTED BY THE DEPARTMENT OF EDUCATION AS OF JUNE 30, 1998	____ XXXXXXXXX XXXXXXXXX	____ X XXXXXXXXXX XXXXXXXXXXX	____ XXXXXXXXXXX XXXXXXXXXXX
3 TOTAL BORROWERS NOT IN REPAYMENT STATUS	____	XXXXXXXXXXX	____
4. BORROWERS ON SCHEDULE IN REPAYMENT STATUS	____	XXXXXXXXXXX	____
5.1 IN DEFAULT LESS THAN 240 DAYS (MONTHLY INSTALLMENTS) OR LESS THAN 270 DAYS (OTHER INSTALLMENTS)	____ XXXXXXXXX	____ XXXXXXXXXXX	____ XXXXXXXXXXX
5.2 IN DEFAULT 240 DAYS OR MORE (MONTHLY INSTALLMENTS) OR 270 DAYS OR MORE (OTHER INSTALLMENTS), UP TO 2 YEARS	____ XXXXXXXXX XXXXXXXXX	____ XXXXXXXXXX XXXXXXXXXX	____ XXXXXXXXXXX XXXXXXXXXXX
5.3 IN DEFAULT MORE THAN 2 YEARS, UP TO 5 YEARS	____	____	____
5.4 IN DEFAULT MORE THAN 5 YEARS	____	____	____

SECTION D - COHORT DEFAULT RATE

INSTITUTIONS WITH 30 OR MORE BORROWERS WHO ENTERED REPAYMENT IN THE 1996-97 AWARD YEAR:

1.1 NUMBER OF BORROWERS WHO ENTERED REPAYMENT IN 1996-97	0
1.2 ENTER THE NUMBER OF BORROWERS IN ITEM 1.1 ABOVE WITH LOANS IN DEFAULT ON JUNE 30, 1998	0
1.3 COHORT DEFAULT RATE (ITEM 1.2 / ITEM 1.1 * 100)	0.0

INSTITUTIONS WITH LESS THAN 30 BORROWERS WHO ENTERED REPAYMENT IN THE 1996-97 AWARD YEAR:

2.1 NUMBER OF BORROWERS WHO ENTERED REPAYMENT IN:		2.2 NUMBER OF BORROWERS WITH LOANS IN DEFAULT ON:	
(a) 1994-95 (07/01/94 - 06/30/95)	6	(a) JUNE 30, 1996 (THOSE IN 2.1(a) ONLY)	0
(b) 1995-96 (07/01/95 - 06/30/96)	0	(b) JUNE 30, 1997 (THOSE IN 2.1(b) ONLY)	0
(c) 1996-97 (07/01/96 - 06/30/97)	0	(c) JUNE 30, 1998 (THOSE IN 2.1(c) ONLY)	0

2.3 TOTAL NUMBER OF BORROWERS WHO ENTERED REPAYMENT DURING THE THREE YEARS (2.1(a) + 2.1(b) + 2.1(c))	0
2.4 TOTAL NUMBER OF BORROWERS WITH LOANS IN DEFAULT (2.2(a) + 2.2(b) + 2.2(c))	0
2.5 COHORT DEFAULT RATE (ITEM 2.4 / 2.3 * 100)	0.0

BEST COPY AVAILABLE

DRAFT

ED form 646-1
OMB No 1840-0073
Expires 04/30/2000

FISCAL OPERATIONS REPORT, PART IV
NAME OF INSTITUTION: ______________________ SERIAL NUMBER: ___ ENTITY NUMBER: 1-_-__-___-_
STATE: __

PART IV. FEDERAL SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANT (FSEOG) PROGRAM FOR AWARD YEAR JULY 1,1997 THROUGH JUNE 30,1998

SECTION A. FEDERAL FUNDS AUTHORIZED FOR FSEOG

1. FINAL ADJUSTED FSEOG AUTHORIZATION ________ $ ________
DATE OF ADJ

SECTION B. FEDERAL FUNDS AVAILABLE FOR FSEOG EXPENDITURES

2. FWS FUNDS TRANSFERRED TO AND SPENT IN FSEOG + $ ________

3. FEDERAL PERKINS FCC FUNDS TRANSFERRED TO AND SPENT IN FSEOG + $ ________

4. FEDERAL FUNDS AVAILABLE FOR FSEOG (LINES 1 + 2 + 3) $ ________

SECTION C. FUNDS TO FSEOG RECIPIENTS

5. TOTAL FUNDS TO FSEOG RECIPIENTS (LINES 6 + 7) $ ________

6. NON-FEDERAL SHARE OF FUNDS TO FSEOG RECIPIENTS (25% OF LINE 5) $ ________

a. CASH OUTLAY CONTRIBUTED $ ________
b. OTHER INSTITUTIONAL RESOURCES DESIGNATED $ ________

SECTION D. FEDERAL FUNDS SPENT FOR FSEOG PROGRAM

7. FEDERAL SHARE OF FUNDS TO FSEOG RECIPIENTS (75% OF LINE 5) $ ________

8. ADMINISTRATIVE COST ALLOWANCE CLAIMED + $ ________

9. FEDERAL FUNDS SPENT FOR FSEOG (LINES 7 + 8) $ ________

SECTION E. USE OF FEDERAL FSEOG AUTHORIZATION

10. EXPENDED FSEOG AUTHORIZATION (LINE 9 - LINE 2 - LINE 3) $ ________

11. UNEXPENDED FSEOG AUTHORIZATION (LINE 1 - LINE 10) (CANNOT BE NEGATIVE) $ ________

SECTION F. MISCELLANEOUS INFORMATION

12. PRIOR YEAR RECOVERIES AWARD YEAR ________ $ ________

DRAFT

ED form 646-1
OMB No 1840-0073
Expires 04/30/2000

FISCAL OPERATIONS REPORT, PART V
NAME OF INSTITUTION: ____________________ SERIAL NUMBER: ___ ENTITY NUMBER: 1-_-__-___-_
STATE: _

PART V. FEDERAL WORK-STUDY (FWS) PROGRAM
FOR AWARD YEAR JULY 1, 1997 THROUGH JUNE 30, 1998

SECTION A. FEDERAL FUNDS AUTHORIZED FOR FWS

1. FINAL ADJUSTED FWS AUTHORIZATION ________ $ ________
DATE OF ADJ.

SECTION B. FEDERAL FUNDS AVAILABLE FOR FWS EXPENDITURES

2. FEDERAL PERKINS FCC FUNDS TRANSFERRED TO AND SPENT IN FWS +$ ________
3. FWS FUNDS TRANSFERRED TO AND SPENT IN FSEOG -$ ________
4. 1998-99 FUNDS CARRIED BACK AND SPENT IN 1997-98 +$ ________
5. ADDITIONAL 1998-99 FUNDS CARRIED BACK AND SPENT FOR 1998 SUMMER EMPLOYMENT +$ ________
6. 1996-97 FUNDS CARRIED FORWARD AND SPENT IN 1997-98 +$ ________
7. 1997-98 FUNDS CARRIED FORWARD TO BE SPENT IN 1998-99 -$ ________
8. 1997-98 FUNDS CARRIED BACK AND SPENT IN 1996-97 -$ ________
9. ADDITIONAL 1997-98 FUNDS CARRIED BACK AND SPENT FOR 1997 SUMMER EMPLOYMENT -$ ________
10. TOTAL FUNDS AVAILABLE FOR 1997-98 (LINES 1 + 2 - 3 + 4 + 5 + 6 - 7 - 8 - 9) $ ________

SECTION C. TOTAL COMPENSATION FOR FWS

11. TOTAL EARNED COMPENSATION FOR FWS PROGRAM $ ________
    a. ON-CAMPUS EXPENDITURES $ ________
    b. OFF-CAMPUS EXPENDITURES AT PUBLIC OR PRIVATE NON-PROFIT AGENCIES $ ________
    c. OFF-CAMPUS EXPENDITURES IN THE PRIVATE (FOR PROFIT) SECTOR $ ________
12. TOTAL INSTITUTIONAL SHARE OF EARNED COMPENSATION (SEE INSTRUCTIONS) $ ________

SECTION D. FUNDS SPENT FROM FEDERAL SHARE OF FWS

13. TOTAL FEDERAL SHARE OF FWS EARNED COMPENSATION $ ________
    a. COMPENSATION AT FEDERAL SHARE NOT TO EXCEED 75% $ ________
    b. OFF-CAMPUS PRIVATE (FOR PROFIT) SECTOR COMPENSATION AT FEDERAL SHARE NOT TO EXCEED 50% $ ________
14. ADMINISTRATIVE COST ALLOWANCE CLAIMED +$ ________
15. FEDERAL SHARE OF JOB LOCATION AND DEVELOPMENT PROGRAM EXPENDITURES +$ ________
16. TOTAL FEDERAL FUNDS SPENT FOR FWS (SUM OF LINES 13 THROUGH 15) $ ________

BEST COPY AVAILABLE

DRAFT

ED form 646-1
OMB No 1840-0073
Expires 04/30/2000

FISCAL OPERATIONS REPORT, PART V
NAME OF INSTITUTION: ______________________ SERIAL NUMBER: ___ ENTITY NUMBER: 1-__-___-____-__
STATE: __

SECTION E. USE OF FEDERAL FWS AUTHORIZATION

17. EXPENDED FWS AUTHORIZATION (LINES 3 + 7 + 8 + 9 + 16) MINUS (LINES 2 + 4 + 5 + 6) $ ______

18. UNEXPENDED FWS AUTHORIZATION (LINE 1 - LINE 17) $ ______

SECTION F. MISCELLANEOUS INFORMATION

19. PRIOR YEAR RECOVERIES AWARD YEAR______ $ ______

SECTION G. INFORMATION ABOUT THE JOB LOCATION AND DEVELOPMENT PROGRAM

20. TOTAL EXPENDITURES FOR THE JOB LOCATION AND DEVELOPMENT PROGRAM $ ______

21. INSTITUTIONAL EXPENDITURES FOR THE JLD PROGRAM (SEE INSTRUCTIONS) $ ______

22. NUMBER OF STUDENTS FOR WHOM JOBS WERE LOCATED OR DEVELOPED ______

23. TOTAL EARNINGS OF THE STUDENTS IN LINE 22 ABOVE $ ______

SECTION H. INFORMATION ABOUT FWS COMMUNITY SERVICE ACTIVITIES

24. NUMBER OF STUDENTS IN COMMUNITY SERVICE EMPLOYMENT ______

25. FEDERAL SHARE OF COMMUNITY SERVICE EARNED COMPENSATION $ ______

26. NON-FEDERAL SHARE OF COMMUNITY SERVICE EARNED COMPENSATION $ ______

SECTION I. INFORMATION ABOUT FWS READING TUTORS OF CHILDREN

27. NUMBER OF STUDENTS EMPLOYED AS FWS READING TUTORS OF CHILDREN ______

28. FEDERAL SHARE OF EARNED COMPENSATION FOR FWS READING TUTORS OF CHILDREN $______

29. TOTAL EARNED COMPENSATION FOR FWS READING TUTORS OF CHILDREN $______

DRAFT

ED form 646-1
OMB No 1840-0073
Expires 04/30/2000

FISCAL OPERATIONS REPORT, PART VI
NAME OF INSTITUTION: ____________________ SERIAL NUMBER: ___ ENTITY NUMBER: 1-__-___-___-__
STATE: __

PART VI. PROGRAM SUMMARY FOR AWARD YEAR JULY 1, 1997 THROUGH JUNE 30, 1998

SECTION A. DISTRIBUTION OF PROGRAM RECIPIENTS AND EXPENDITURES BY TYPE OF STUDENT

TAXABLE & UNTAXED INCOME CATEGORY STUDENT TYPE	FEDERAL PERKINS LOAN (A) RECIPIENTS	(B) FUNDS	F S E O G (C) RECIPIENTS	(D) FUNDS	F W S (E) RECIPIENTS	(F) FUNDS	SUMMARY (G) RECIPIENTS
UNDERGRADUATE DEPENDENT							
1. $ 0 - $ 5,999	____	____	____	____	____	____	____
2. $ 6,000 - $11,999	____	____	____	____	____	____	____
3. $12,000 - $23,999	____	____	____	____	____	____	____
4. $24,000 - $29,999	____	____	____	____	____	____	____
5. $30,000 - $41,999	____	____	____	____	____	____	____
6. $42,000 - $59,999	____	____	____	____	____	____	____
7. $60,000 AND OVER	____	____	____	____	____	____	____
UNDERGRADUATE INDEPENDENT							
8. $ 0 - $ 1,999	____	____	____	____	____	____	____
9. $ 2,000 - $ 3,999	____	____	____	____	____	____	____
10. $ 4,000 - $ 7,999	____	____	____	____	____	____	____
11. $ 8,000 - $11,999	____	____	____	____	____	____	____
12. $12,000 - $15,999	____	____	____	____	____	____	____
13. $16,000 - $19,999	____	____	____	____	____	____	____
14. $20,000 AND OVER	____	____	____	____	____	____	____
15. GRADUATE/PROFESSIONAL	____	____	DOES NOT APPLY	DOES NOT APPLY	____	____	____
16. TOTAL	____	____	____	____	____	____	____
17. TOTAL LESS THAN FULL TIME STUDENTS	____	____	____	____	____	____	____
18. TOTAL "AUTOMATIC" ZERO EFC STUDENTS	____	____	____	____	____	____	____

BEST COPY AVAILABLE

DRAFT

ED form 646-1
OMB No 1840-0073
Expires 04/30/2000

FISCAL OPERATIONS REPORT, PART VI
NAME OF INSTITUTION: ______________________ SERIAL NUMBER: ____ ENTITY NUMBER: 1-__-__-___-__
STATE: __

Administrative Cost Allowance Worksheet (Worksheet must be retained for audit and program reviews)

Section B. Calculating the Administrative Cost Allowance

STEP 1 Calculate the amount spent in 1997-98 on which the Administrative Cost Allowance is based:

1. Total compensation in FWS (amount from Part V, Section C, line 11)	$ 0
2. Amount of Federal Perkins Loan funds advanced to students (amount from Part III, Section B, line 5)	+ $ 0
3. Total funds to FSEOG recipients (amount from Part IV, Section C, line 5)	+ $ 0
4. TOTAL Amount Spent (lines 1 + 2 + 3)	$ 0

STEP 2 Calculate the Administrative Cost Allowance (Complete only ONE subsection):

Institutions whose total amount spent was $2,750,000 OR LESS

5. Enter total amount spent (line 4)	$ 0
6. Multiply	x .05
7. TOTAL Administrative Cost Allowance (GO TO STEP 3)	$ 0

Institutions whose total amount spent was MORE THAN $2,750,000 but LESS THAN $5,500,000

8. Enter total amount spent (line 4)	$ N / A
9. Subtract	- $ 2750000
10. Expenditures over $2,750,000 (line 8 - line 9)	$ N / A
11. Multiply	x 0.04
12. Administrative Cost Allowance on expenditures over $2,750,000 (line 10 x line 11)	$ N / A
13. Add Administrative Cost Allowance on expenditures of $2,750,000	+ $ 137500
14. TOTAL Administrative Cost Allowance (line 12 + line 13) (GO TO STEP 3)	$ N / A

Institutions whose total amount spent was $5,500,000 OR MORE

15. Enter total amount spent (line 4)	$ N / A
16. Subtract	- $ 5500000
17. Expenditures over $5,500,000 (line 15 - line 16)	$ N / A
18. Multiply	x 0.03
19. Administrative Cost Allowance on expenditures over $5,500,000 (line 17 x line 18)	$ N / A
20. Add Administrative Cost Allowance on expenditures of $5,500,000	+ $ 247500
21. TOTAL Administrative Cost Allowance (line 19 + line 20) (GO TO STEP 3)	$ N / A

STEP 3 Decide how much Administrative Cost Allowance the Institution claimed:

22. How much Administrative Cost did the Institution claim (The amount may be the same or less than the amount calculated in Step 2)	$ 0

23. How much Administrative Cost did the institution claim in each program ?

a. Federal Perkins loan (must be same as Part III, Sect. B, line 6)	$ 0
b. FSEOG (must be the same as Part IV, Section D, line 8)	$ 0
c. FWS (must be the same as Part V, Section D, line 14)	$ 0

PRACTICE

Review Quiz

Match the names of the reports and systems to the correct descriptions.

a. Student Payment Summary (SPS)

b. Fiscal Operations Report and Application to Participate (FISAP)

c. Student Status Confirmation Report (SSCR)

d. Annual Nonfederal SFA Audit

e. Federal Perkins Safeguard Activity Report

f. DLSAS

g. Student Right to Know Reports

h. Campus Security Report

i. Equity in Athletics Disclosure Act Report

____ monitors schools compliance with laws and regulations

____ reflects a school's FFEL Program or Direct Loan Program student borrower data

____ includes documentation of crimes committed at the school

____ is submitted once a year by schools that use the IRS/ED Skip-Tracing Service

____ includes salaries of coaches

____ enables schools to compare their records to ED's records for each Pell Grant recipient

____ is checked monthly by schools participating in the Direct Loan Program

____ is submitted each award year by schools to report previous expenditures and apply for future funding

____ tracks completion rates of students

BACK AT THE OFFICE

Back at the office, you should:

- Find out if your school has a DUNS number for GAPS purposes.
- Check for your school's Campus Security report.
- Check for your school's Student Right To Know (SRTK) report.
- Check for your school's Equity in Athletics Disclosure Act (EADA) report.
- ____
- ____
- ____

ANSWER KEY

Review Quiz

Match the names of the reports and systems to the correct descriptions.

a. Student Payment Summary (SPS)

b. Fiscal Operations Report and Application to Participate (FISAP)

c. Student Status Confirmation Report (SSCR)

d. Annual Nonfederal SFA Audit

e. Federal Perkins Safeguard Activity Report

f. DLSAS

g. Student Right to Know Reports

h. Campus Security Report

i. Equity in Athletics Disclosure Act Report

__**d**__ monitors schools compliance with laws and regulations

__**c**__ reflects a school's FFEL Program or Direct Loan Program student borrower data

__**h**__ includes documentation of crimes committed at the school

__**e**__ is submitted once a year by schools that use the IRS/ED Skip-Tracing Service

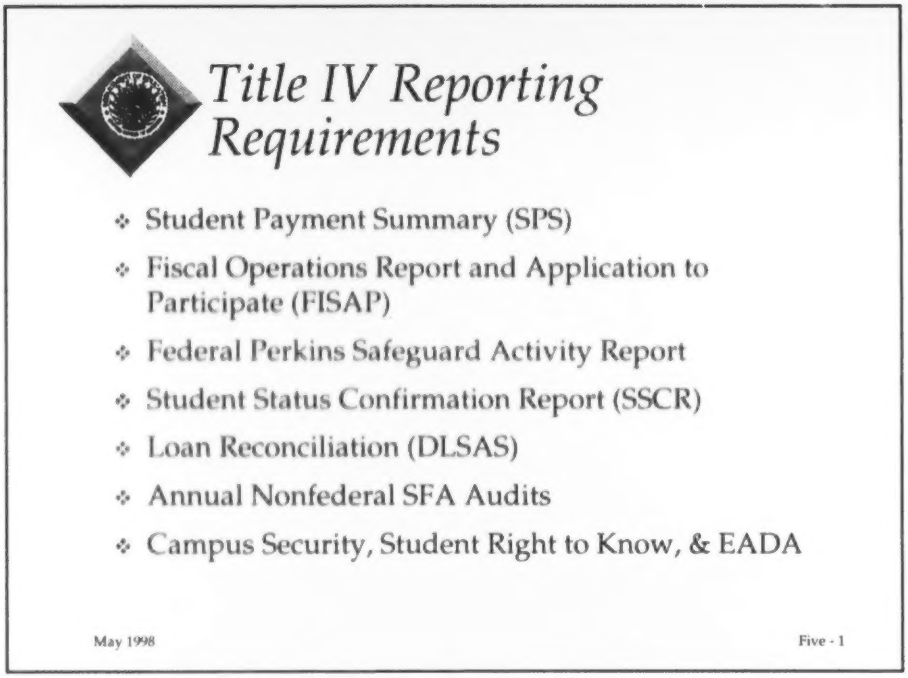
__**i**__ includes salaries of coaches

__**a**__ enables schools to compare their records to ED's records for each Pell Grant recipient

__**f**__ is checked monthly by schools participating in the Direct Loan Program

__**b**__ is submitted each award year by schools to report previous expenditures and apply for future funding

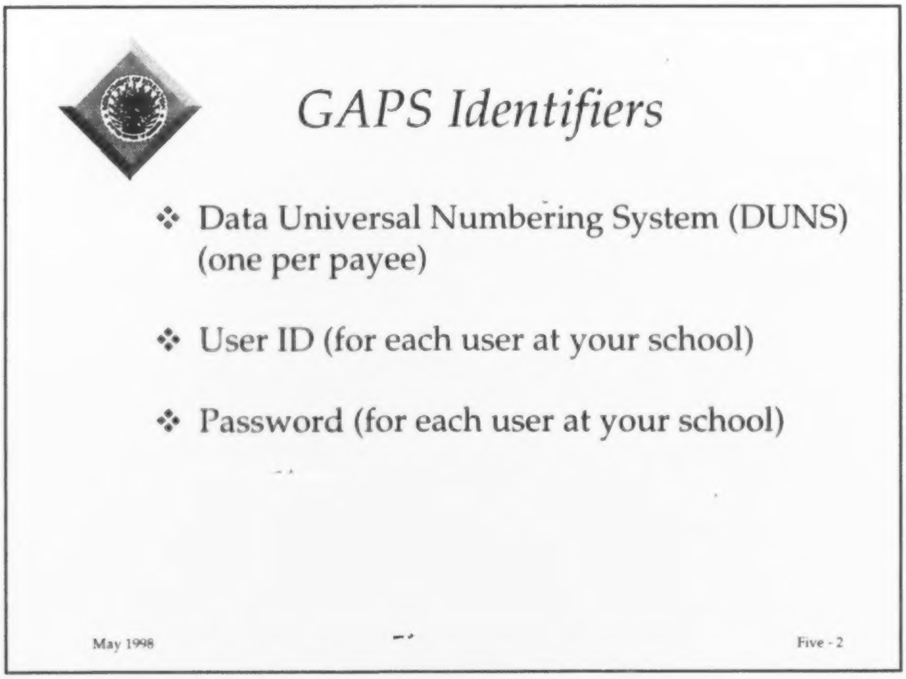
__**g**__ tracks completion rates of students



Title IV Reporting Requirements

- Student Payment Summary (SPS)
- Fiscal Operations Report and Application to Participate (FISAP)
- Federal Perkins Safeguard Activity Report
- Student Status Confirmation Report (SSCR)
- Loan Reconciliation (DLSAS)
- Annual Nonfederal SFA Audits
- Campus Security, Student Right to Know, & EADA

May 1998 Five - 1



GAPS Identifiers

- Data Universal Numbering System (DUNS) (one per payee)
- User ID (for each user at your school)
- Password (for each user at your school)

May 1998 Five - 2

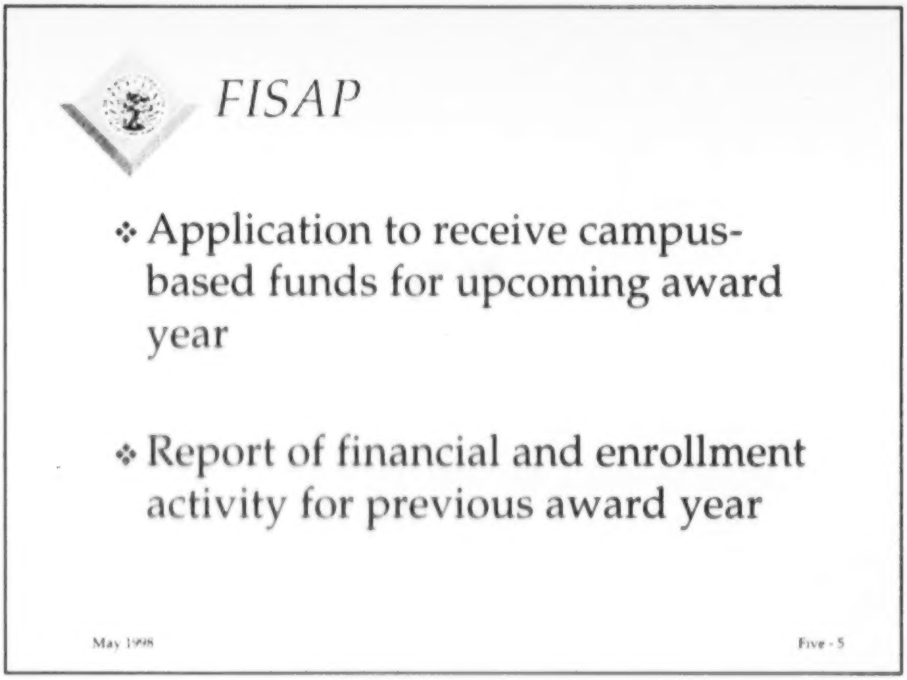
GAPS:
Grant Award Number

- Linked to specific programs

Example - P007A971234
(Pell Grant program)

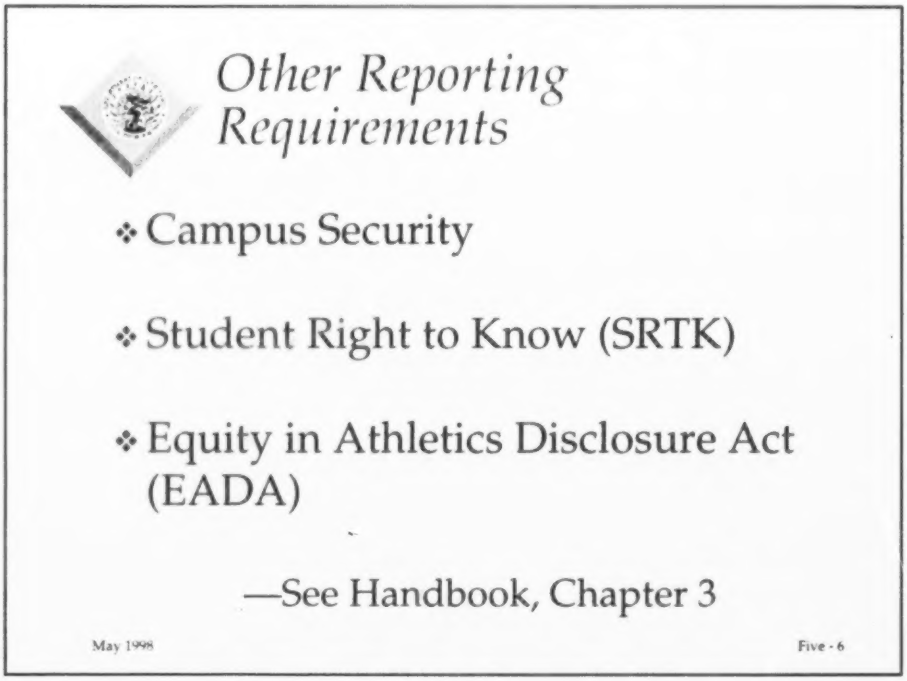
Questions about GAPS?

- contact account representative
- GAPS hotline: (888) 336-8930
- GAPS_Payments@ed.gov
- www.ed.gov/offices/OCFO/



FISAP

- Application to receive campus-based funds for upcoming award year
- Report of financial and enrollment activity for previous award year



Other Reporting Requirements

- Campus Security
- Student Right to Know (SRTK)
- Equity in Athletics Disclosure Act (EADA)

—See Handbook, Chapter 3

Session 6 - Student Eligibility

By the end of this session, you will be able to:

- ***describe general criteria for student eligibility,***
- ***use the General Student Eligibility Checklist to determine student eligibility for Title IV aid, and***
- ***locate student eligibility information in* The 1998-99 Federal Student Financial Aid Handbook.**

RESOURCES:

- *The 1998-99 Federal Student Financial Aid Handbook,* Chapter 2
- *The 1998-99 Student Guide*

SESSION CONTENTS:

1. Need to Know
    - ♦ General Student Eligibility Checklist
    - ♦ Chart — Program-Specific Student Eligibility Criteria
2. Practice
    - ♦ Student Eligibility Exercises
3. Back at the Office
4. Answer Key

BEST COPY AVAILABLE

General Student Eligibility Checklist

YES	NO	(Checked box indicates answer required for student to be eligible for Title IV.)
☑	☐	1. Is the student a U.S. citizen or eligible noncitizen? (Questions 15-16 on FAFSA and SAR).
☑	☐	2. Is the student a "regular student" enrolled or accepted for enrollment in an "eligible program" for the purpose of obtaining a degree or certificate? (Questions 24-32 on FAFSA and SAR).
☑	☐	3. Does the student meet the academic qualifications for study at the postsecondary level? (Student has a high school diploma or recognized equivalent [such as a GED] or is beyond the age of compulsory school attendance, has passed an ability-to-benefit [ATB] test, or followed a state-prescribed process.) (Questions 20-21 on FAFSA and SAR).
☐	☑	4. Is the student enrolled solely in remedial coursework?
☑	☐	5. Is the student maintaining satisfactory academic progress?
☐	☑	6. Is the student in default or does the student owe an overpayment on a Title IV loan or grant? (Part 1 of SAR)
☑	☐	7. Does the student have a valid Social Security number?
☑	☐	8. Has the student registered with Selective Service (if applicable)? (Question 105 on FAFSA and SAR).
☐	☑	9. Has the student borrowed in excess of loan limits? (Part I of SAR).
☐	☑	10. Is the student a member of a religious order, an incarcerated student, or enrolled in a correspondence course?
☑	☐	11. Does the student have financial need (except for some loan programs where need is not necessary)?
☑	☐	12. Was the student's financial aid history obtained from the school (or schools) previously attended by the student or from NSLDS?
☑	☐	13. Has verification been completed (if required)?

Program-Specific Student Eligibility Criteria

Program	Who is Eligible?	Criteria
Federal Pell Grant	• Undergraduates only • May not have bachelor's or first professional degree	• Students must have a SAR or ISIR on file with the school • Less-than-full-time, including less-than-half-time, students are eligible ◊ Less-than-half-time students must have an EFC of 1900 or less ◊ Less-than-half-time students were not eligible for 1990-91, 1991-92, and 1992-93 • Members of religious orders are not eligible
FSEOG	• Undergraduates only • May not have bachelor's or first professional degree	• Must be awarded first to students with exceptional financial need (that is, lowest EFCs) • Priority to students with exceptional financial need who are eligible for Federal Pell Grants
Federal Perkins Loan	• Undergraduates • Graduate students • Professional students	• Priority to students with exceptional financial need (as defined by the school) • Students must be willing to repay their loans • Must have determination of Federal Pell Grant eligibility • May not be in medical internship or residency
FWS	• Undergraduates • Graduate students • Professional students	• See comments below for "FSEOG, Federal Perkins Loan, and FWS"
FSEOG,* Federal Perkins Loan, and FWS	• Undergraduates only* • Graduate students • Professional students	• Demonstrate need according to Federal Need Analysis Methodology • Less-than-full-time, including less-than-half-time, students are eligible ◊ Under certain circumstances, 5% of a school's allocation of campus-based funds must be awarded to less-than-full-time students and nontraditional students • Members of religious orders are not eligible
Federal Subsidized Loan and Federal Direct Subsidized Loan	• Undergraduates • Graduate students • Professional students • Students enrolled in courses prerequisite to enrollment in a degree or certificate program • Students enrolled in a teacher certification program	• Students must: ◊ Be enrolled at least half time ◊ Demonstrate financial need according to the Federal Need Analysis Methodology • Eligibility for Federal Pell Grants must be determined prior to certifying loan applications and, if eligible, students must apply for Federal Pell Grants • Members of religious orders are not eligible
Federal Unsubsidized Loan and Federal Direct Unsubsidized Loan	• See Federal Unsubsidized Loan and Federal Direct Subsidized Loan	• Students do not have to demonstrate financial need • Student eligibility for Federal Pell Grant and Federal Unsubsidized or Federal Direct Subsidized must be determined • Students must apply for Federal Unsubsidized or Federal Direct Subsidized first; EFA includes Unsubsidized or Direct Subsidized loan amount for which students are eligible • Students must be enrolled at least half time
Federal PLUS Loan and Federal Direct PLUS Loan	• Parents of eligible dependent undergraduate students	• Students for whom parents borrow must be eligible, regular students enrolled at least half time • Parents must: ◊ Meet same citizenship requirements as an eligible student ◊ Not be in default on a Title IV loan ◊ Not owe an overpayment on a Title IV grant ◊ Not have an adverse credit history

PRACTICE

Student Eligibility Exercises

Instructions

Four students have applied for federal financial aid. Each student has a different educational goal and wishes to attend a specific school. Put yourself in the financial aid office at each school and answer the student's questions.

Step 1: **Read each student scenario.**

Step 2: **Review the student scenario using the student eligibility checklist to determine eligibility.**

Step 3: **Answer the student questions at the end of the exercise.**

Student 1—Justin

Justin Case is a 21-year-old student enrolled in Foster Business College (FBC). Justin was born and raised in Guam, and has spent the past 3 and 1/2 years working periodically on construction jobs. He now wants to take a six-month, 600-clock-hour course in computerized information management at FBC to obtain a computer operator certificate.

As Justin never finished high school, he took FBC's aptitude test (approved by ED) and scored a passing grade of 78. Justin received a Student Aid Report (SAR) with a Pell-eligible Expected Family Contribution (EFC). Justin indicates that he is not required to register with the Selective Service because he is a conscientious objector. Justin was selected for verification and has promised the aid administrator that he will bring in the appropriate tax documents once his mother sends them to him. Justin did not list any previous colleges or schools on his financial aid application, so FBC has not requested any financial aid transcripts.

PRACTICE (cont'd)

Justin's Questions:

1. Am I able to receive Title IV aid at your school?

   ____

   ____

   ____

2. If yes, why?

   ____

   ____

   ____

3. If no, which student eligibility criteria did I not meet, and what can I do, if anything, to become eligible for Title IV financial aid at your school?

   ____

   ____

   ____

Student 2—Kay C.

Kay C. Fudd is a 17-year-old high school graduate from Springfield, IA, where she was born and raised.

The university she plans to attend informs her that she needs to take a few remedial courses before she can enroll in their program. So, Kay enrolls at Dunn Community College for the summer and fall terms.

She was selected for verification and was asked to bring in documents pertaining to the amount of Social Security benefits she'll be receiving after her 18th birthday.

PRACTICE (cont'd)

She submitted a Student Aid Report (SAR) that stated she was not eligible for a Pell Grant. Since her Expected Family Contribution (EFC) was less than the cost of her education, she was able to qualify for other financial aid.

Kay C.'s Questions:

1. Am I eligible to receive Title IV financial aid at your school, Dunn Community College?

   ____

   ____

   ____

2. If yes, why?

   ____

   ____

   ____

3. If no, which student eligibility criteria did I not meet, and what can I do, if anything, to become eligible for Title IV financial aid at your school?

   ____

   ____

   ____

. PRACTICE (cont'd)

Student 3—Elena

Elena Del Castillo is self-supporting and is enrolled at Tower Community College (TCC) for the current award year. She is starting the second year of her occupational therapy course, which is a two-year degree program.

Elena was born in Puerto Rico and graduated from Notre Dame High School in Caguas, Puerto Rico. She attended Hall Technical Institute (HTI) for one year before coming to TCC. According to a written certification from HTI, she did not receive any Title IV aid.

The financial aid administrator checks Elena's previous spring-semester academic transcript and finds that she has completed 38 credits with a GPA of 2.8, which surpasses the school's satisfactory academic progress standards. Elena's Expected Family Contribution (EFC) is less than the cost of attendance (COA) for her program, but she is not eligible for the Federal Pell Grant Program. Elena was not selected for verification.

Elena's Questions:

1. Am I eligible to receive Title IV financial aid at your school?

____

____

____

2. If yes, why?

____

____

____

PRACTICE (cont'd)

3. If no, which student eligibility criteria did I not meet and what can I do, if anything, to become eligible for Title IV financial aid at your school?

Student 4—Jacques

Jacques Bertrand is a 27-year-old independent student enrolled at the World Language Institute (WLI). To better communicate with customers in his current job, he is in a conversational English course for 3 credits.

Jacques and his family came to the U.S. in 1991 from France. Jacques has received his Student Aid Report (SAR) with a Pell-eligible Expected Family Contribution (EFC) and has delivered it to the financial aid administrator. His SAR indicates that the Central Processing System (CPS) did not confirm him to be an eligible noncitizen, and WLI is in the process of further reviewing his citizenship status. His SAR also reflects that he was selected for verification, and Jacques delivered all appropriate documents to verify the information reported on his application for financial aid.

Jacques indicated that he attended Toulouse Polytechnic Institute (TPI) in France during 1990. The financial aid administrator requested a financial aid transcript from TPI, but after six weeks still has not received a response.

Jacques' Questions:

1. Am I eligible to receive Title IV financial aid at your school?

PRACTICE (cont'd)

2. If yes, why?

____

____

____

3. If no, which student eligibility criteria did I not meet, and what can I do, if anything, to become eligible for Title IV financial aid at your school?

____

____

____

BACK AT THE OFFICE

Back at the office, you should:

- Keep a copy of the general student eligibility checklist handy or construct a checklist adapted for your school.
- Review Chapter 2 of *The Federal Student Financial Aid Handbook.*
- ____________________
- ____________________
- ____________________

REMINDER: **You can access *The Federal Student Financial Aid Handbook* at http://ifap.ed.gov**

ANSWER KEY

Solution to Justin

Q: Is Justin eligible to receive Title IV financial aid?

A: No, Justin does not meet all the general student eligibility criteria.

- **Number 8 on checklist**—Justin was not confirmed in the Selective Service match, as he is **not** registered.
  - ◊ Being a conscientious objector does not exempt him from registering with the Selective Service.
  - ◊ Since he has not registered, he is not eligible for Title IV aid.
- **Number 13 on checklist**—As Justin was selected for verification, the school must complete this process.
  - ◊ A promise to bring in the required documents is not enough and until Justin brings the document, verification can't be completed.
- To become eligible for Title IV aid, Justin must register with Selective Service and complete the verification process.

Solution to Kay C.

Q: Is Kay C. eligible to receive Title IV financial Aid?

A: No, Kay C. does not meet all general eligibility criteria. Here is why:

- **Number 2 on checklist**—She is not enrolled as a regular student in an eligible program at Dunn Community College.
- **Number 4 on checklist**—Since Kay C. will be enrolled solely in a **remedial** program, she is ineligible for Title IV aid.
- **Number 13 on checklist**—Kay C. was selected for verification and was asked to bring in documentation. This has not been done.
- Kay C. must complete verification and enroll as a regular student in a regular program to be eligible for Title IV aid.

ANSWER KEY

Solution to Elena

Q: Is Elena eligible to receive Title IV financial aid?

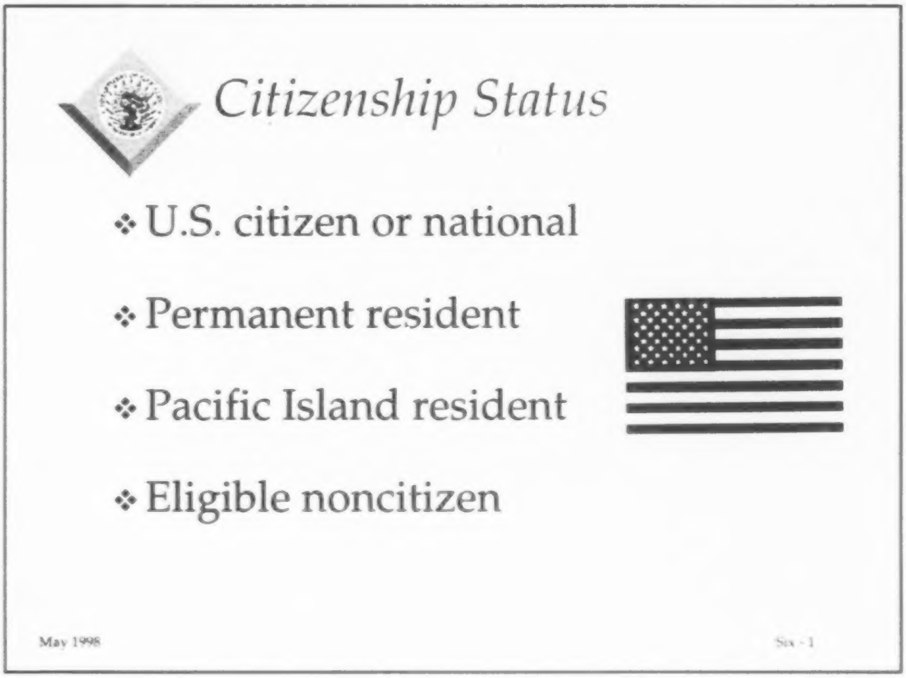
A: Yes, Elena does meet all the general student eligibility criteria.

Solution to Jacques

Q: Is Jacques eligible to receive Title IV financial aid?

A: No, Jacques does not meet all the general student eligibility criteria. Here is why:

- **Number 1 on checklist**—Until Jacques can document his eligible noncitizen status, he is not eligible for Title IV aid.
- **Number 2 on checklist**—Jacques does not meet the definition of a regular student because he is not enrolled for the purpose of obtaining a degree or certificate.
- Jacques must document his eligible noncitizen status and enroll in a program to earn a degree or certificate in order to be eligible for Title IV.

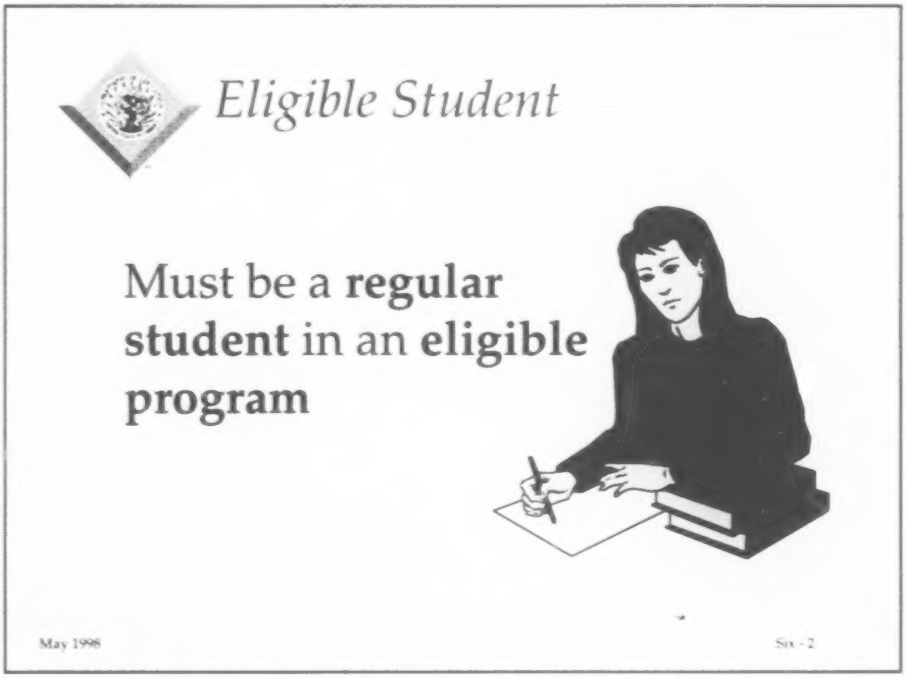


Citizenship Status

- U.S. citizen or national
- Permanent resident
- Pacific Island resident
- Eligible noncitizen

May 1998

Six - 1

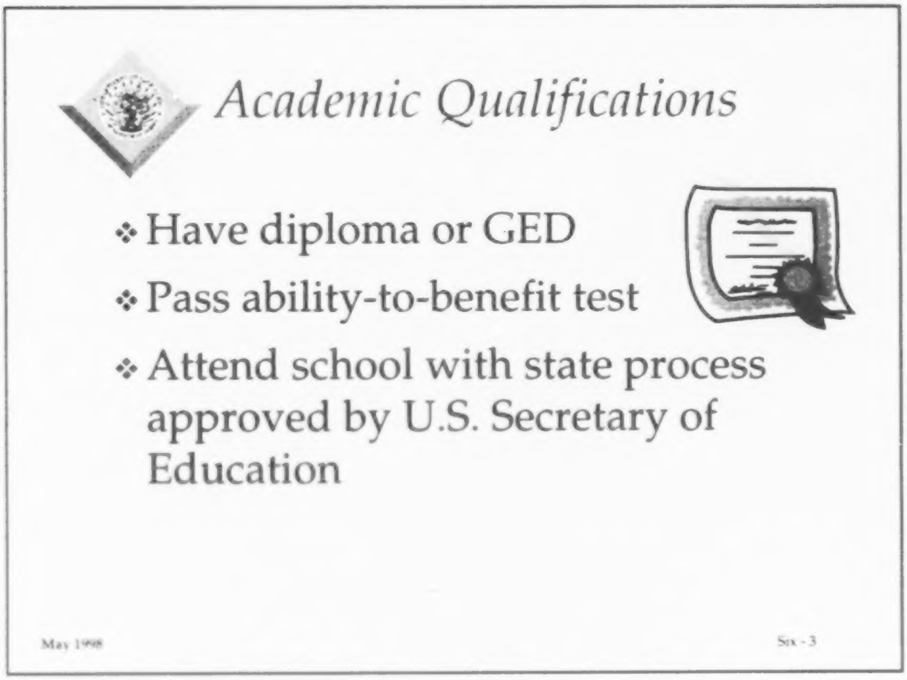


Eligible Student

Must be a **regular student** in an **eligible program**

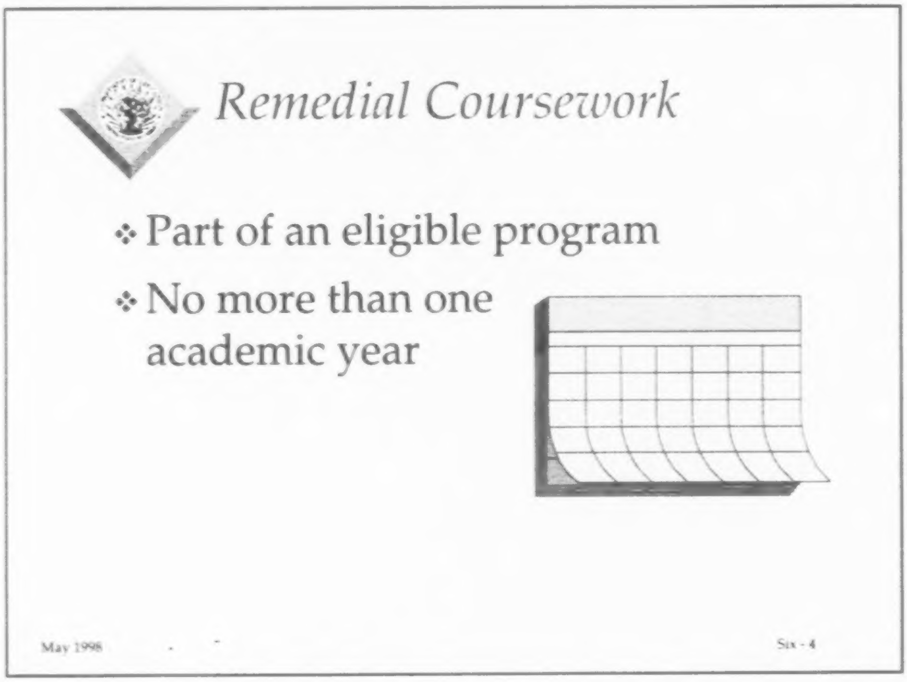
May 1998

Six - 2



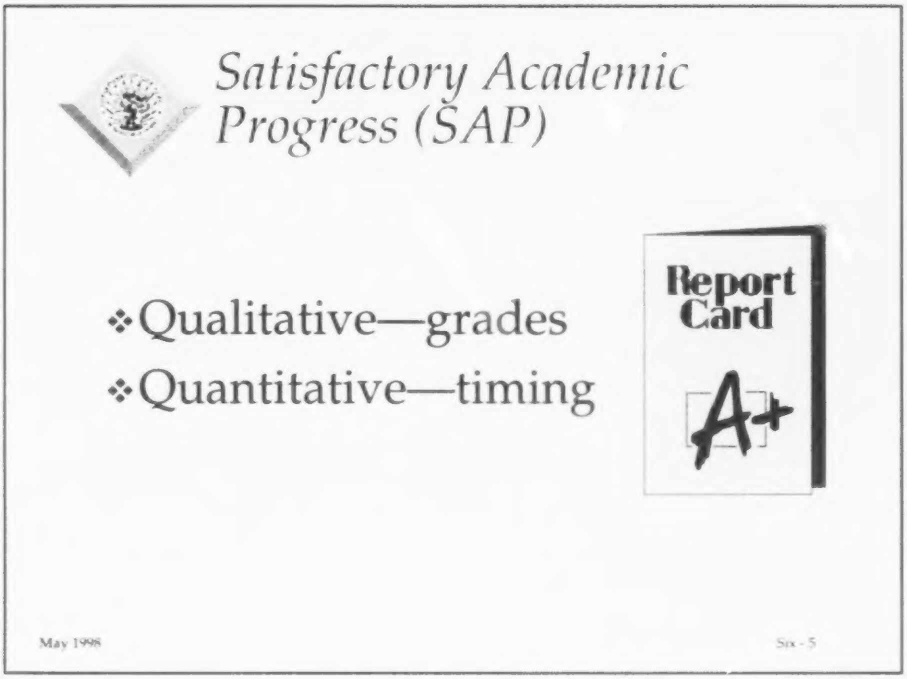
Academic Qualifications

- Have diploma or GED
- Pass ability-to-benefit test
- Attend school with state process approved by U.S. Secretary of Education



Remedial Coursework

- Part of an eligible program
- No more than one academic year



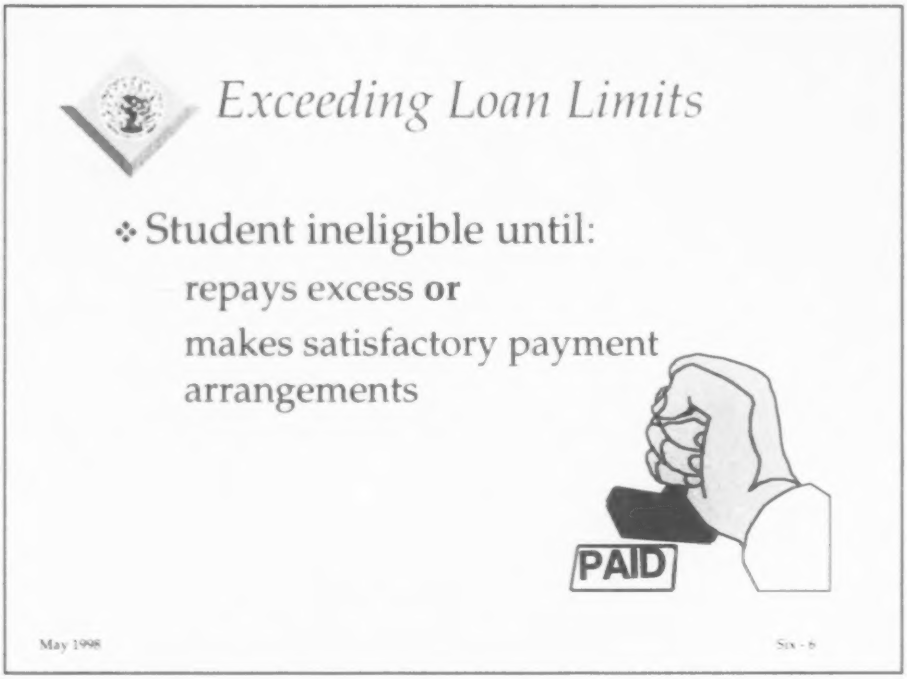
Satisfactory Academic Progress (SAP)

- ❖ Qualitative—grades
- ❖ Quantitative—timing

Report Card
A+

May 1998

Six - 5



Exceeding Loan Limits

- ❖ Student ineligible until:
  - repays excess **or**
  - makes satisfactory payment arrangements

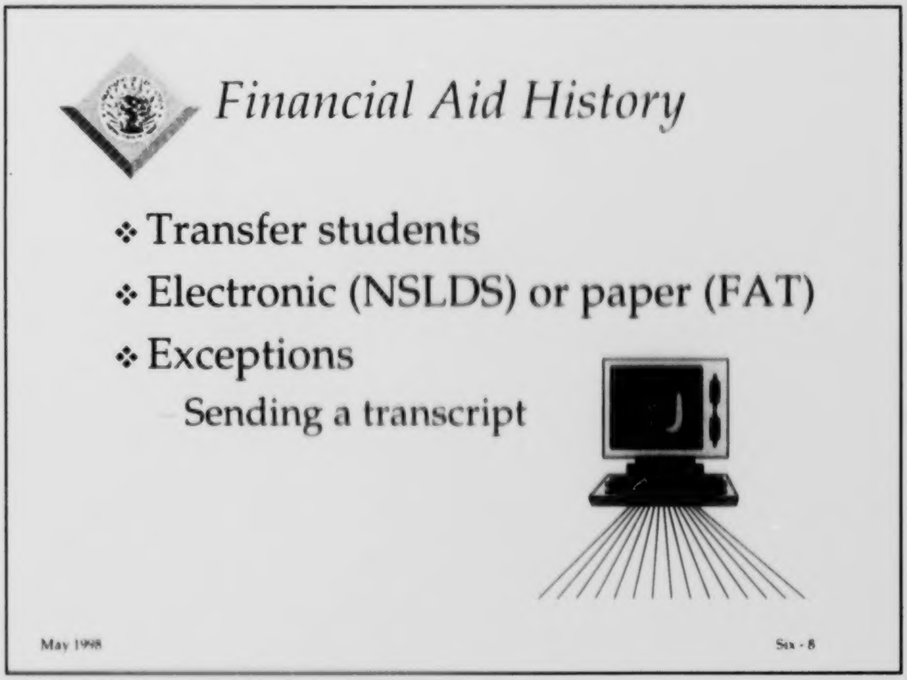
May 1998

Six - 6

Financial Need

Cost of Attendance (COA)
- Expected Family Contribution (EFC)

= **FINANCIAL NEED**



Financial Aid History

- Transfer students
- Electronic (NSLDS) or paper (FAT)
- Exceptions
  - Sending a transcript

Session 7 - Satisfactory Academic Progress (SAP)

By the end of this session, you will be able to:

- ***determine if a student is making satisfactory academic progress.***

RESOURCES

- *The 1998-99 Federal Student Financial Aid Handbook,* Chapter 2
- *34 CFR 668.16(e)*
- *34 CFR 668.32(f)*
- *34 CFR 668.34*

SESSION CONTENTS

1. Need to Know
    - ◆ Federal Regulations
    - ◆ Samples — Class-Completion Issues
    - ◆ Sample — SAP Policy
    - ◆ Sample — Appeal Policy
    - ◆ Samples — Academic Probation Policy
2. Practice
    - ◆ Case Study
    - ◆ Review Quiz
3. Back at the Office
4. Answer Key

Sec. 668.16 Standards of administrative capability

To begin and to continue to participate in any Title IV, HEA program, an institution shall demonstrate to the Secretary that the institution is capable of adequately administering that program under each of the standards established in this section. The Secretary considers an institution to have that administrative capability if the institution--

(e) For purposes of determining student eligibility for assistance under a Title IV, HEA program, establishes, publishes, and applies reasonable standards for measuring whether an otherwise eligible student is maintaining satisfactory progress in his or her educational program. The Secretary considers an institution's standards to be reasonable if the standards--

(1) Are the same as or stricter than the institution's standards for a student enrolled in the same educational program who is not receiving assistance under a Title IV, HEA program;

(2) Include the following elements:

(i) A qualitative component which consists of grades (provided that the standards meet or exceed the requirements of Sec. 668.34), work projects completed, or comparable factors that are measurable against a norm.

(ii) A quantitative component that consists of a maximum timeframe in which a student must complete his or her educational program. The timeframe must--

(A) For an undergraduate program, be no longer than 150 percent of the published length of the educational program measured in academic years, terms, credit hours attempted, clock hours completed, etc. as appropriate;

(B) Be divided into increments, not to exceed the lesser of one academic year or one-half the published length of the educational program;

(C) Include a schedule established by the institution designating the minimum percentage or amount of work that a student must successfully complete at the end of each increment to complete his or her educational program within the maximum timeframe; and

(D) Include specific policies defining the effect of course incompletes, withdrawals, repetitions, and noncredit remedial courses on satisfactory progress;

(3) Provide for consistent application of standards to all students within categories of students, e.g., full-time, part-time, undergraduate, and graduate students, and educational programs established by the institution;

(4) Provide for a determination at the end of each increment by the institution as to whether the student has met the qualitative and quantitative components of the standards (as provided for in paragraphs (e)(2)(i) and (ii) of this section);

(5) Provide specific procedures under which a student may appeal a determination that the student is not making satisfactory progress; and

(6) Provide specific procedures for a student to re-establish that he or she is maintaining satisfactory progress.

Sec. 668.32 Student eligibility-general.

A student is eligible to receive Title IV, HEA program assistance if the student...

(f) Maintains satisfactory progress in his or her course of study according to the institution's published standards of satisfactory progress that satisfy the provisions of Sec. 668.16(e), and, if applicable, the provisions of Sec. 668.34;...

Sec. 668.34 Satisfactory progress.

(a) If a student is enrolled in an program of study of more than two academic years, to be eligible to receive Title IV, HEA program assistance after the second year, in addition to satisfying the requirements contained in Sec. 668.32(f), the student must be making satisfactory [progress] under the provisions of paragraphs (b), (c) and (d) of this section.

(b) A student is making satisfactory progress if, at the end of the second year, the student has a grade point average of at least a "C" or its equivalent, or has academic standing consistent with the institution's requirements for graduation.

(c) An institution may find that a student is making satisfactory progress even though the student does not satisfy the requirements in paragraph (b) of this section, if the institution determines that the student's failure to meet those requirements is based upon-

(1) The death of a relative of the student;

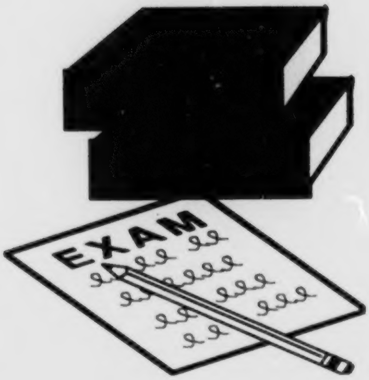
(2) An injury or illness of the student; or

(3) Other special circumstances.

(d) If a student is not making satisfactory progress at the end of the second year, but at the end of a subsequent grading period comes into compliance with the institution's requirements for graduation, the institution may consider the student as making satisfactory progress beginning with the next grading period.

(e) At a minimum, an institution must review a student's academic progress at the end of each year.

Class Completion Issues



Example 1—excluding "F" grades.

A policy might read:

> *"The following will be considered as hours attempted, but the following will not be considered as successfully completed credits:*
>
> 'F' —*failing grades,*
>
> 'I' — *incompletes,*
>
> 'W'— *withdrawals, and*
>
> 'U' — *unofficial withdrawals."*

Example 2— including course repetitions in the time frame and the GPA calculation.

A policy might read:

> *"When a student receives a passing grade in a course and subsequently repeats the course, the hours earned in both will count in the calculation of hours attempted and completed hours earned; all grades received for the courses will be included in calculating the GPA."*

Note Schools can decide how to handle grades from repeated courses. They may take the higher grade, average the grades, or use both grades.

Sample

Satisfactory Academic Progress (SAP) Policy for Birmington College (Non-Term)

To be making satisfactory academic progress toward a degree or certificate, students must maintain specified grade averages **and** proceed through the program at a pace leading to completion within a specified time frame. Satisfactory academic progress will be measured every 4.5 months (or every 18 weeks).

Required Grade Averages

At the end of each increment, the cumulative grade average will be determined and documented in each student's official record. Students achieving the averages specified in the chart below will be considered to be making satisfactory academic progress:

After this number of months	4.5	9	13.5	18
Students must have at least this cumulative grade average	60%	65%	70%	70%

Required Completion Rate

In addition to the cumulative grade average listed above, students must also be progressing toward successful completion of the program within a maximum time frame. Students in this program must contract for 25 hours per week and must successfully complete the program within 18 months at the following rate:

After this number of months	4.5	9	13.5	18
Students must have completed at least this number of clock hours	300	600	900	1200

Probation and Reinstatement Procedures

In the event that a student fails to meet **any** of the above criteria for a specified period (every 4.5 months), the student will be placed on probation for one period. A student in this category may receive financial aid for the following probation period. However, by the end of the probation period, the student must meet the stated minimum grade and completion requirements as defined on the school's completion chart in order to receive additional financial aid.

Sample

Satisfactory Academic Progress (SAP) Policy for Birmington College (Non-Term) (cont'd)

If a student fails to meet one or more of the requirements by the end of the probation period, the student will no longer be making satisfactory academic progress and will be ineligible for federal financial aid.

Students terminated from receiving financial aid can reestablish eligibility by successfully completing the required number of hours **and** by attaining the overall required cumulative grade average by the end of the next period. Withdrawal from school has no effect on the student's satisfactory academic progress upon reentering.

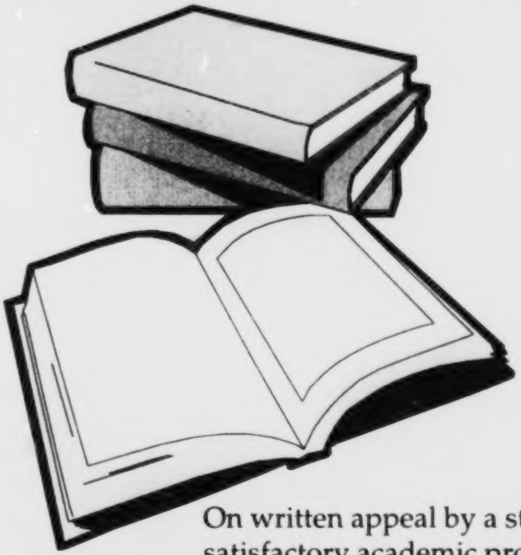
All grades are given in numeric averages. The lowest grade average to pass a class is 60. Hours completed below this minimum average will not be considered successfully completed. However, a student must achieve a cumulative grade average of at least 70 in order to graduate.

Appeal Procedures

If a student is found to be ineligible for federal financial aid because satisfactory academic progress requirements were not met, the student may appeal this decision to the school's Director of Financial Aid by stating—in writing—the reasons why the minimum requirements were not met and why financial aid should not be terminated.

The Director of Financial Aid will review the appeal and determine whether suspending financial aid is justified. The student will be advised, in writing, of the decision.

Sample



Appeal Policy

On written appeal by a student, failure to meet one or more satisfactory academic progress requirements will be evaluated by the financial aid administrator. A student will be notified of the decision within two weeks of the financial aid office receiving the written appeal request. The following types of information may be considered in determining if a student is still maintaining satisfactory academic progress:

1. Unusual circumstances, such as extended illness;
2. Participation in campus tutoring or support services;
3. Class attendance and completion of assignments; and
4. Changes in educational objective.

If students are terminated from receiving financial aid for failure to maintain satisfactory academic progress, they must meet all requirements for minimum overall grade and cumulative credits earned for their academic level before eligibility for aid can be reinstated. Periods of nonenrollment in school have no effect on a student's satisfactory academic progress status on reentering.

Academic Probation Policy

Example 1: One-Academic-Year Probation

Students who fail to meet one or more of the satisfactory academic progress minimum requirements will be placed on satisfactory progress probation for one academic year. During that academic year, students must meet the stated minimum grade requirements and complete enough work to meet the cumulative amount of work for that academic year as defined by the school's credit-completion chart. The second time students fail to meet one or more requirements, they will no longer be making satisfactory academic progress and will be ineligible for financial aid for the following academic year.

Example 2: One-Month Probation

Full-time students whose satisfactory completion rate falls below an average of 120 clock hours per month will be placed on probation for one month. During this time, students must complete enough clock hours to raise their average back up to 120 clock hours. Failure to raise their average within that month means students are not maintaining satisfactory academic progress, and they are ineligible for financial aid until that average is raised to the required minimum.

Case Study

Using the sample policy on pages 4 and 5 of your Workbook, answer the following questions.

1. After attending classes for nine months, Howard completed 550 hours and had a cumulative grade average of 69.9. Is Howard making satisfactory academic progress ?

   ____

   ____

2. Can Howard continue to receive financial aid?

   ____

   ____

   ____

3. What would happen if Howard failed to meet SAP standards at the end of the 4.5-month probation period?

   ____

   ____

   ____

4. If this were to happen, what could Howard do?

   ____

   ____

   ____

Review Quiz

1. If a student is enrolled in a 900-clock-hour program, by what point should the school measure the student's academic progress?

2. For a 2,000-clock-hour program, how long could the increments be?

BACK AT THE OFFICE

Back at the office, you should:

- Create or become familiar with your school's SAP policy.
- Create or become familiar with your school's appeal policy for SAP.
- Make sure that your SAP policy is applied consistently to all Title IV students within a given category (such as full-time, part-time, and undergraduate, or graduate students).
- ____
- ____
- ____

ANSWER KEY

Case Study

Using the sample policy on pages 4 and 5 of your Workbook, answer the following questions.

1. After attending classes for nine months, Howard completed 550 hours and had a cumulative grade average of 69.9. Is Howard making satisfactory academic progress ?

   No. Howard is not making satisfactory academic progress. While his grade average is above the minimum 65, he has not completed the minimum 600 clock hours.

2. Can Howard continue to receive financial aid?

   Yes. Howard can receive financial aid for the following 4.5-month (18-week) period, because he is eligible, even though he is on probation.

3. What would happen if Howard failed to meet SAP standards at the end of the 4.5-month probation period?

   Howard would no longer be eligible for federal financial aid.

4. If this were to happen, what could Howard do?

   Howard could:

   - **reestablish eligibility by successfully completing the required number of hours and by attaining the needed overall cumulative grade average at the end of the next period or**
   - **appeal this decision to the school's director of financial aid by stating—in writing—acceptable reasons why the minimum requirements were not met.**

Review Quiz

1. If a student is enrolled in a 900-clock-hour program, by what point should the school measure the student's academic progress?

   After the student completes 450 clock hours.

2. For a 2,000-clock-hour program, how long could the increments be?

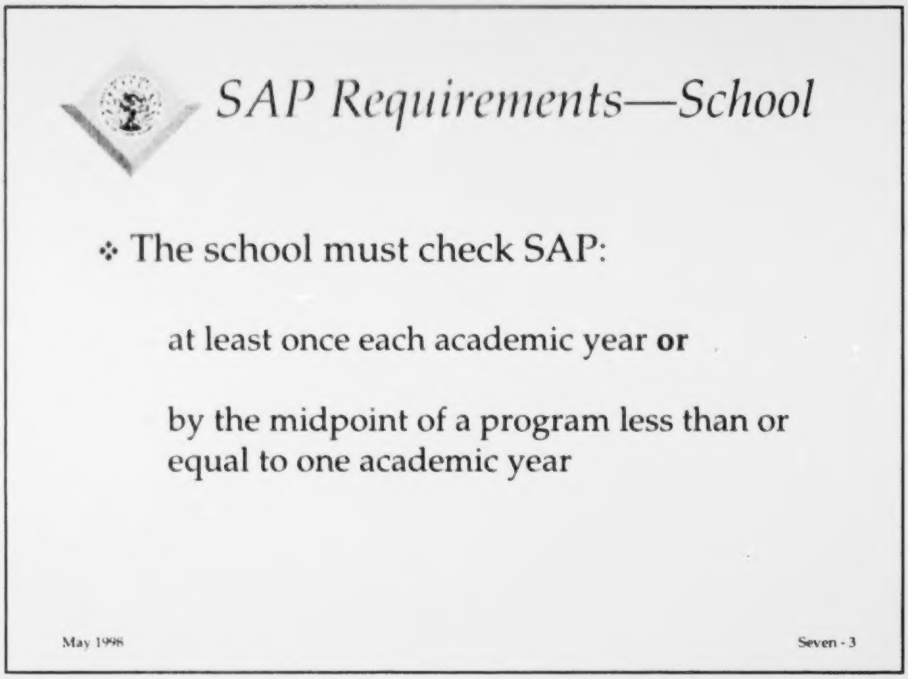
   900 clock hours (one academic year).

SAP Standards

- Must have quantitative component and qualitative component
- Must be as strict or stricter than school's standards for non-Title IV students
- Must be applied consistently within categories of students

SAP Requirements—Student

- By the end of the second year, a student:
  - must have a "'C' average or its equivalent" **or**
  - must have academic standing consistent with requirements for graduating from the program

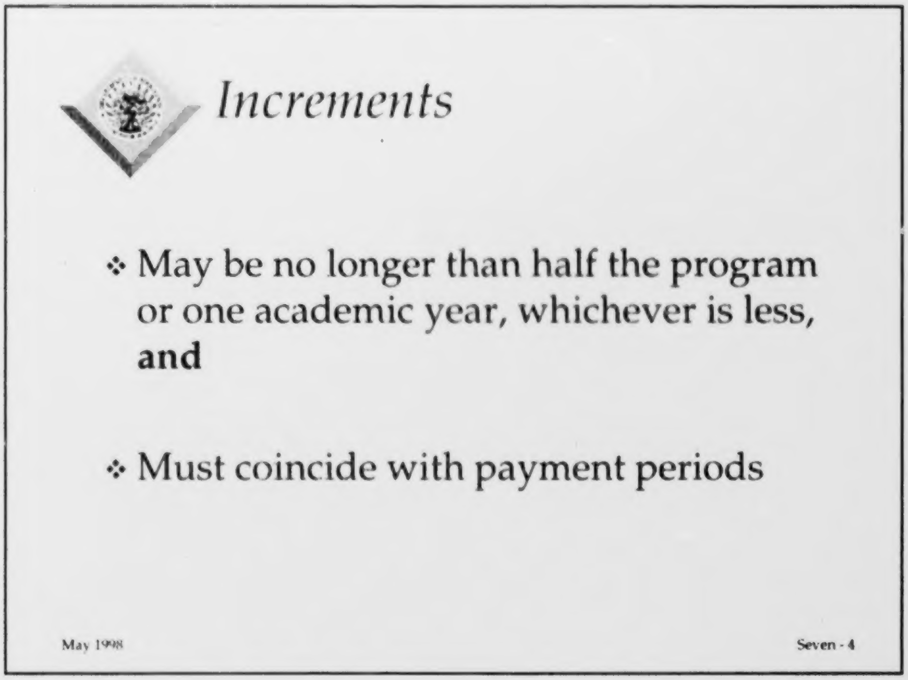


SAP Requirements—School

- The school must check SAP:

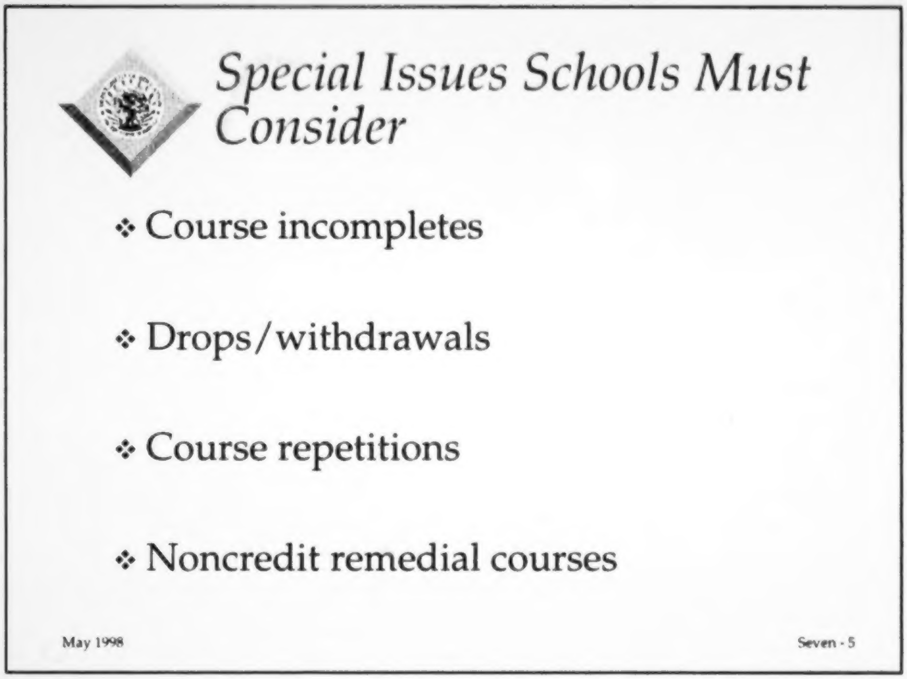
  at least once each academic year **or**

  by the midpoint of a program less than or equal to one academic year



Increments

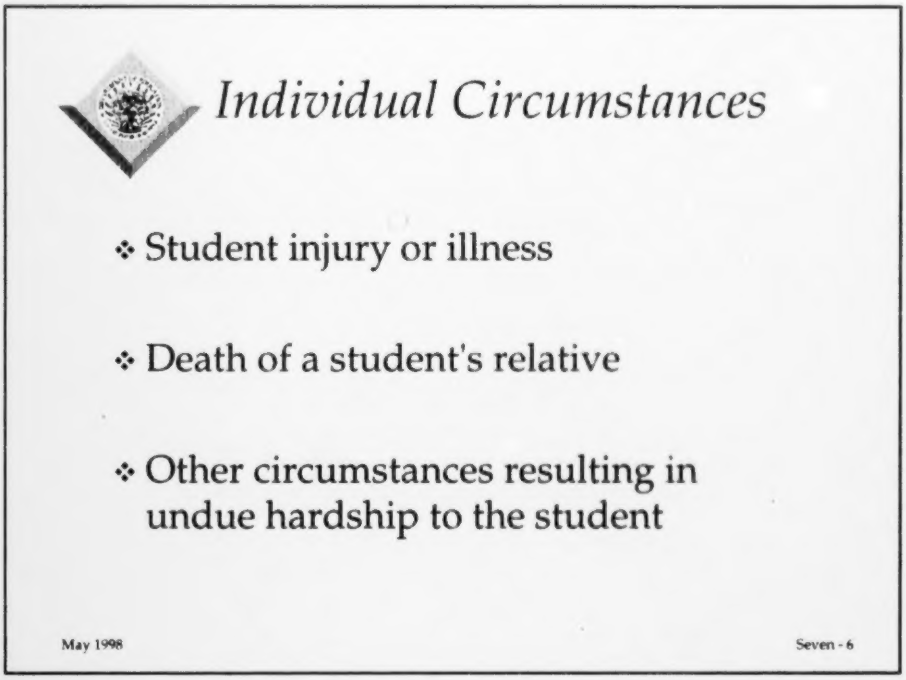
- May be no longer than half the program or one academic year, whichever is less, **and**
- Must coincide with payment periods



Special Issues Schools Must Consider

- Course incompletes
- Drops/withdrawals
- Course repetitions
- Noncredit remedial courses

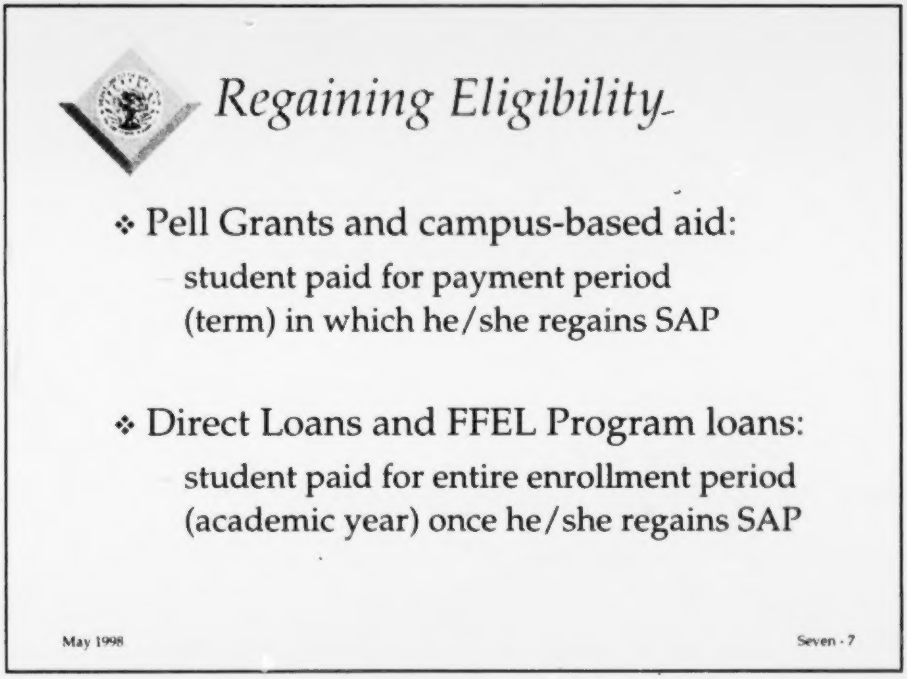
May 1998 Seven - 5



Individual Circumstances

- Student injury or illness
- Death of a student's relative
- Other circumstances resulting in undue hardship to the student

May 1998 Seven - 6



Regaining Eligibility

- Pell Grants and campus-based aid:
  - student paid for payment period (term) in which he/she regains SAP
- Direct Loans and FFEL Program loans:
  - student paid for entire enrollment period (academic year) once he/she regains SAP

May 1998

Seven - 7

Session 8 - Calculating Cost of Attendance, Expected Family Contribution, and Need

By the end of this session, you will be able to:

- ***identify cost of attendance components,***
- ***determine costs of attendance for Title IV programs at your school, and***
- ***calculate financial need.***

RESOURCES

- *The 1998-99 Federal Student Financial Aid Handbook,* Chapter 2
- *The EFC Formula Book, 1998-99*

SESSION CONTENTS

1. Need to Know
    - ♦ Lecture Notes
    - ♦ Table — COA Components for Specific Student Groups
2. Practice
    - ♦ Determining Cost of Attendance
        - ◊ Case Study 1 — Amelia's COA
        - ◊ Case Study 2 — Your School's COA

BEST COPY AVAILABLE

SESSION CONTENTS (cont'd)

- Need — Other Student Financial Aid Programs
    - Exercise 1 — Susan
    - Exercise 2 — Joe

3. Back at the Office
4. Answer Key

NEED TO KNOW

Lecture Notes

- Cost of Attendance (COA) **minus** Expected Family Contribution (EFC) **equals** Need (COA - EFC = Need).
- COA has eight components (see chart on next page).
- EFC is determined by a formula called the Federal Need Analysis Methodology.
    - For more information on calculating EFC, call the Federal Student Aid Information Center at 1-800-4-FED-AID (1-800-433-3243) for a copy of *The EFC Formula Book, 1998-99.*

COA Components for Specific Student Groups

Components	Incarcerated Students*	Less-Than-Half-time Enrollment	Correspondence Study**
Tuition and fees	Yes	Yes	Yes
Room and board	No	No	Only for required period of residential training
Books, supplies, transportation, and miscellaneous personal expenses	Only books and supplies related to course of study	Only books, supplies, and transportation	Books, supplies, and only travel related to a required period of residential training
Dependent-care expenses	No	Yes	No
Disability-related expenses	No	No	No
Study-abroad expenses	No	No	No
Employment expenses related to cooperative education programs	No	No	No
Student loan fees (Federal Direct Loan and FFEL Programs)	No	No	No

* An incarcerated student is ineligible to receive a student loan. Further, students incarcerated in federal or state penal institutions may not receive a Pell Grant.

** A student is eligible for federal student financial aid for correspondence courses if the courses are part of a degree program and the school meets ED's acceptance criteria for the percentage of correspondence courses taught.

BEST COPY AVAILABLE

Determining Cost of Attendance

Case Study 1 — Amelia's COA

Amelia enrolls full time in a 600-clock-hour program at the Wild Thyme Culinary Institute. The institute defines the academic year for this program as 900 clock hours. Full-time students in Amelia's program attend 40 hours a week, complete the program in 15 weeks, and have the average costs of attendance shown below.

Tuition and fees	$ 1,800
Room and board	$ 2,500
Books and supplies	$ 200
Transportation	$ 200
Miscellaneous expenses	$ 300

Amelia plans to borrow a subsidized FFEL. Amelia's loan fees will total $105. Correctly calculate Amelia's COA.

Amelia's COA Worksheet	
Tuition and fees	$ ____________
Room and board	$ ____________
Books, supplies, transportation, and miscellaneous personal expenses	$ ____________
Dependent-care expense	$ ____________
Disability-related expenses	$ ____________
Study-abroad expenses	$ ____________
Co-op employment expenses	$ ____________
Student loan fees	$ ____________
COST OF ATTENDANCE TOTAL	= ____________

Case Study 2 — Your School's COA

Fill in the blanks on the COA Worksheet with figures for one of the educational programs at your school. Assume that the average loan fees at your school will total $105.

Your School's COA Worksheet	
Tuition and fees	$ ____________
Room and board	$ ____________
Books, supplies, transportation, and miscellaneous personal expenses	$ ____________
Dependent-care expense	$ ____________
Disability-related expenses	$ ____________
Study-abroad expenses	$ ____________
Co-op employment expenses	$ ____________
Student loan fees	$ ____________
COST OF ATTENDANCE TOTAL	= ____________

PRACTICE (cont'd)

Need — Other Student Financial Aid Programs

Exercise 1 — Susan

Susan is a dependent student who attends a college that costs $6,000 a year. Her EFC is $500. She has been awarded an academic scholarship by a civic group for $1,500, and she qualifies for a $2,550 Federal Pell Grant. How much could she receive in other need-based aid?

Fill in the blanks to find out.

Cost of attendance $ ________

Expected Family Contribution - ________

Student's financial need $ ________

Federal Pell Grant $ ________

Academic scholarship from a civic group + $ ________

Estimated financial assistance (EFA) $ ________

Student's financial need $ ________

Estimated financial assistance $ ________

Eligibility for other need-based SFA program funds $ ________

PRACTICE (cont'd)

Exercise 2 — Joe

Joe is a junior at a four-year school that costs $7,000 a year. His EFC is $1,500. He has been awarded a $650 state scholarship, a $1,550 Federal Pell Grant, and a $3,300 Direct Subsidized Loan. Joe is receiving enough aid to cover the difference between his COA and his EFC. How much does he qualify for in Direct Unsubsidized Loan funds to replace his EFC?

Cost of attendance $ ________

Expected Family Contribution - ________

Student's financial need $ ________

Federal Pell Grant $ ________

State scholarship $ ________

Direct Subsidized Loan + $ ________

Estimated financial assistance (EFA) $ ________

Student's financial need $ ________

Estimated financial assistance - $ ________

Unmet need $ ________

To determine the eligibility for a Direct Unsubsidized Loan:

Cost of attendance $ ________

Estimated financial assistance - $ ________

Eligibility for Federal Direct Unsubsidized Loan $ ________

BACK AT THE OFFICE

Back at the office, you should:

- Become familiar with the components of costs of attendance (COAs) at your school.
- Be aware of any special expenses your school considers when calculating a student's COA.
- ____________________
- ____________________
- ____________________

Case Study 1 — Amelia's COA

Amelia's COA Worksheet	
Tuition and fees	$ 1,800
Room and board	$ 2,500
Books, supplies, transportation, and miscellaneous personal expenses	$ 700
Dependent-care expense	$
Disability-related expenses	$
Study-abroad expenses	$
Co-op employment expenses	$
Student loan fees	$ 105
COST OF ATTENDANCE TOTAL	$ 5, 105

Exercise 1 — Susan

Susan is a dependent student who attends a college that costs $6,000 a year. Her EFC is $500. She has been awarded an academic scholarship by a civic group for $1,500, and she qualifies for a $2,550 Federal Pell Grant. Therefore, she could receive up to $2,000 in other need-based aid.

Cost of attendance		$ 6,000
Expected Family Contribution	-	500
Student's financial need		**$ 5,500**
Federal Pell Grant		$ 2,550
Academic scholarship from a civic group	+	$ 1,500
Estimated financial assistance (EFA)		**$ 4,050**
Student's financial need		$ 5,500
Estimated financial assistance	-	$ 4,050
Eligibility for other need-based SFA program funds		**$ 1,450**

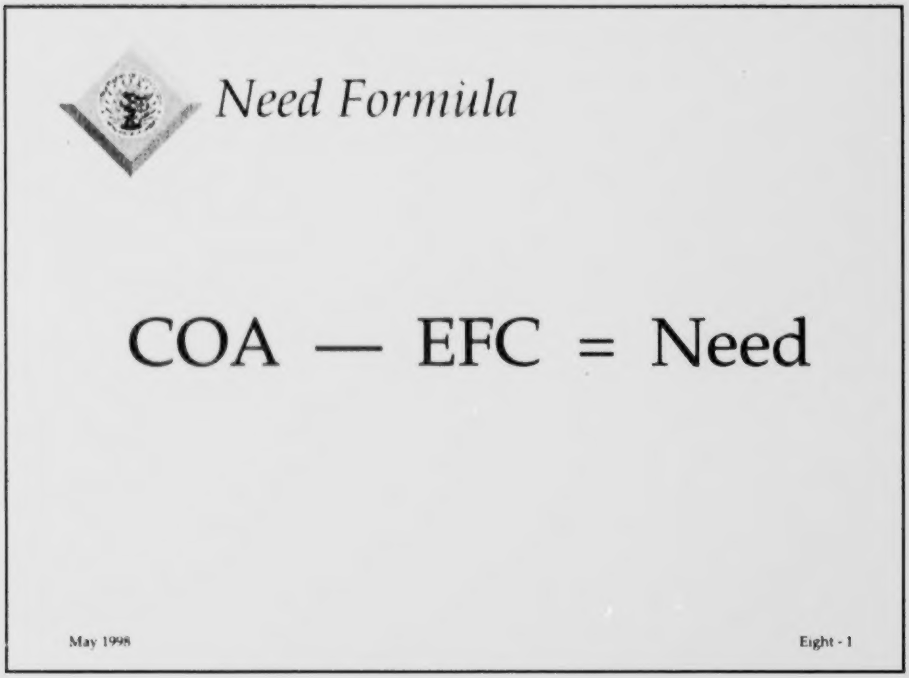
Exercise 2 — Joe

Joe is a junior at a four-year school that costs $7,000 a year. His EFC is $1,500. He has been awarded $650 state scholarship, a $1,550 Federal Pell Grant, and a $3,300 Direct Subsidized Loan. Even though Joe is receiving enough aid to cover the difference between his COA and his EFC, he also qualifies for a $1,500 Direct Unsubsidized Loan funds to replace his EFC.

Cost of attendance		$ 7,000
Expected Family Contribution	-	1,500
Student's financial need		**$ 5,500**
Federal Pell Grant		$ 1,550
State scholarship		$ 650
Direct Subsidized Loan	+	$ 3,300
Estimated financial assistance (EFA)		**$ 5,500**
Student's financial need		$ 5,500
Estimated financial assistance	-	$ 5,500
Unmet need		**$ 0**

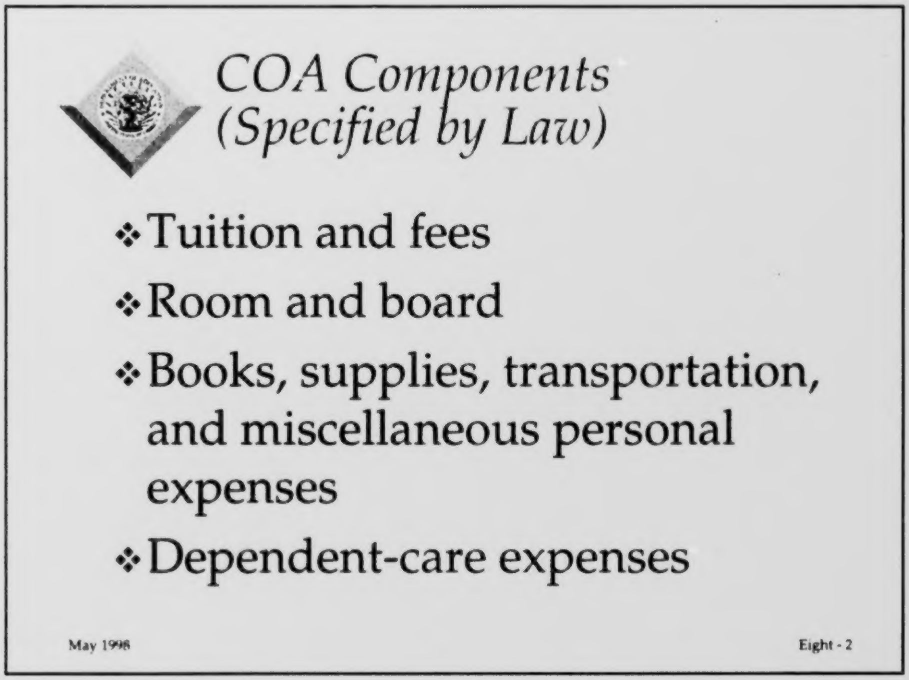
To determine the eligibility for a Direct Unsubsidized Loan:

Cost of attendance		$ 7,000
Estimated financial assistance	-	$ 5,500
Eligibility for Federal Direct Unsubsidized Loan		**$ 1,500**



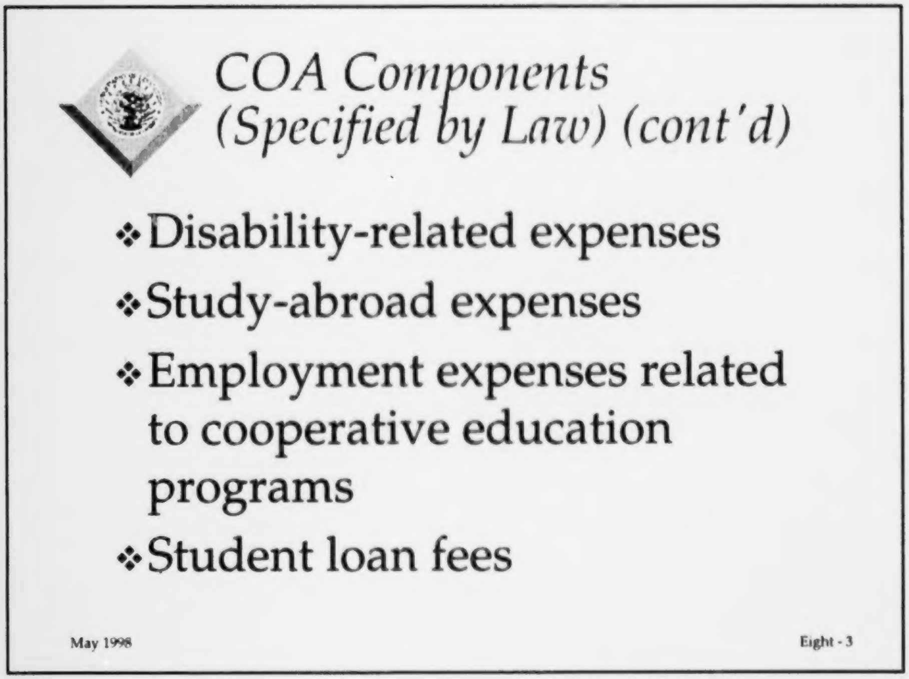
Need Formula

COA — EFC = Need



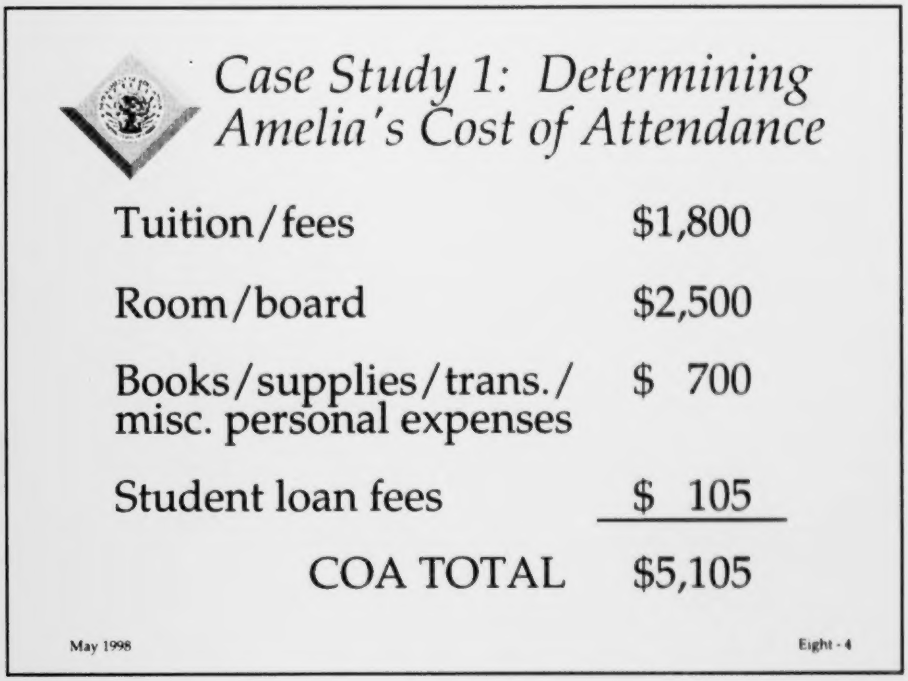
COA Components (Specified by Law)

- Tuition and fees
- Room and board
- Books, supplies, transportation, and miscellaneous personal expenses
- Dependent-care expenses



COA Components (Specified by Law) (cont'd)

- Disability-related expenses
- Study-abroad expenses
- Employment expenses related to cooperative education programs
- Student loan fees



Case Study 1: Determining Amelia's Cost of Attendance

Tuition/fees	$1,800
Room/board	$2,500
Books/supplies/trans./ misc. personal expenses	$ 700
Student loan fees	$ 105
COA TOTAL	$5,105

Case Study 2: Determining Your School's Cost of Attendance

Tuition/fees $________

Room/board $________

Books/supplies/trans./
misc. personal expenses $________

Dependent-care expenses $________

TOTAL COA SO FAR $________

May 1998 Eight - 5

Case Study 2: Determining Your School's Cost of Attendance (cont'd)

TOTAL COA SO FAR $________

Disability-related expenses $________

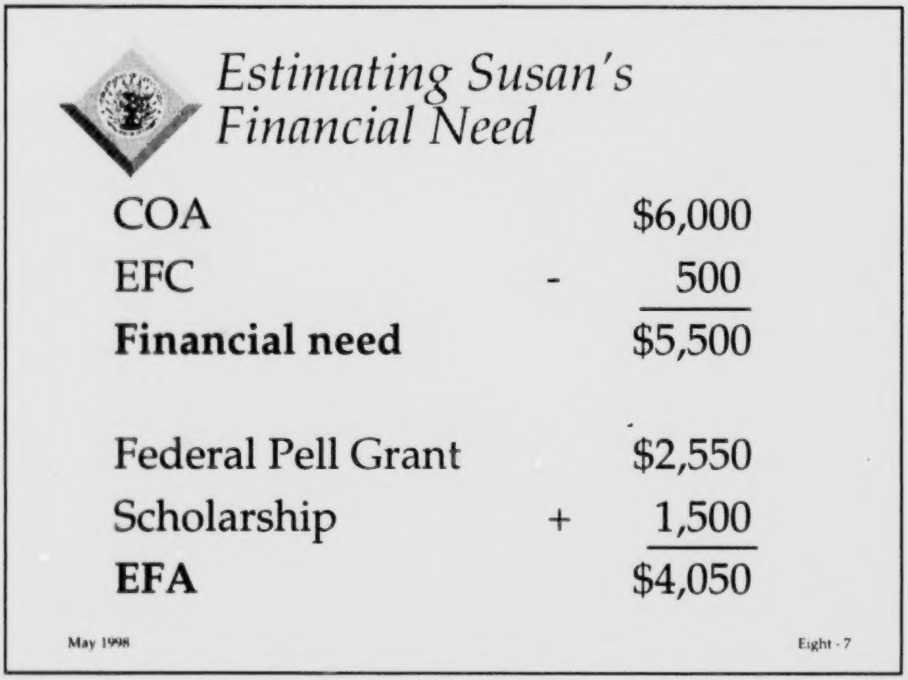
Study-abroad expenses $________

Co-op employment expenses $________

Student loan fees $________

COA TOTAL $________

May 1998 Eight - 6

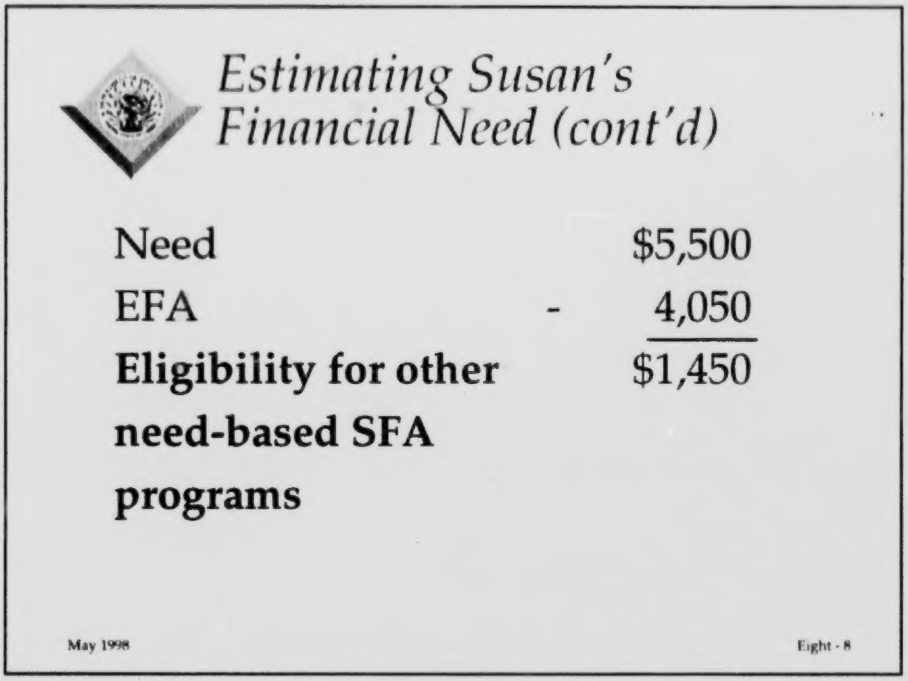


Estimating Susan's Financial Need

COA		$6,000
EFC	-	500
Financial need		$5,500
Federal Pell Grant		$2,550
Scholarship	+	1,500
EFA		$4,050

May 1998

Eight - 7



Estimating Susan's Financial Need (cont'd)

Need		$5,500
EFA	-	4,050
Eligibility for other need-based SFA programs		$1,450

May 1998

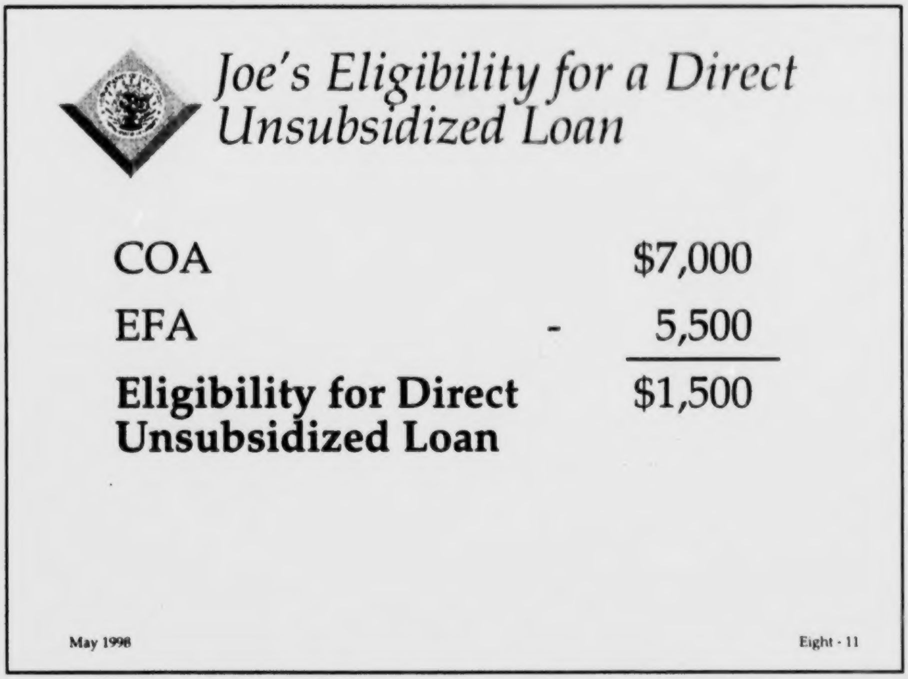
Eight - 8

Estimating Joe's Financial Need

COA		$7,000
EFC	-	1,500
Financial need		$5,500
Federal Pell Grant		$1,550
State scholarship	+	650
Direct Subsidized Loan	+	3,300
EFA		$5,500

Estimating Joe's Financial Need (cont'd)

Financial need		$5,500
EFA	-	5,500
Unmet Need		$ 0



Joe's Eligibility for a Direct Unsubsidized Loan

COA		$7,000
EFA	-	5,500
Eligibility for Direct Unsubsidized Loan		$1,500

May 1998

Eight - 11

Session 9 - Overview of Refunds and Repayments

By the end of this session, you will be able to:

- ***recognize the difference between a refund and a repayment,***
- ***choose the correct refund calculations, and***
- ***process refunds and repayments in a timely manner.***

RESOURCES:

- *The 1998-99 Federal Student Financial Aid Handbook*, Chapter 3
- *Verification Guide*, Chapter 5

SESSION CONTENTS:

1. Need to Know
    - Lecture notes
    - Chart — Levels of Refunds
    - Chart — Refunds - Timely Return of Funds
2. Practice
    - Exercise 1 — Choosing the Right Refund
    - Exercise 2 — Timely Processing
3. Back at the Office
4. Answer Key

BEST COPY AVAILABLE

NEED TO KNOW

What are refunds and repayments?

Refunds -	Return of unearned aid **credited** to a student's account to cover **institutional charges** (such as tuition and fees)
Repayments -	Return of unearned **cash** paid directly to student to cover **noninstitutional charges** (such as books bought from a vendor)

Published Policies and Procedures

A "clear and conspicuous written statement" must be given to prospective and enrolled students that includes:

- manner in which financial aid is applied and disbursed;
- how institutional refunds and repayments are calculated;
- how refunds and repayments are distributed to all sources;
- operational policies regarding enrollment checks and refund/repayment process;
- procedures students must follow to obtain a refund;
- availability of examples of applying refund/repayment policies; and
- cost of student's required supplies and equipment.

NEED TO KNOW (cont'd)

Timely Processing

Refunds: See chart on page 5

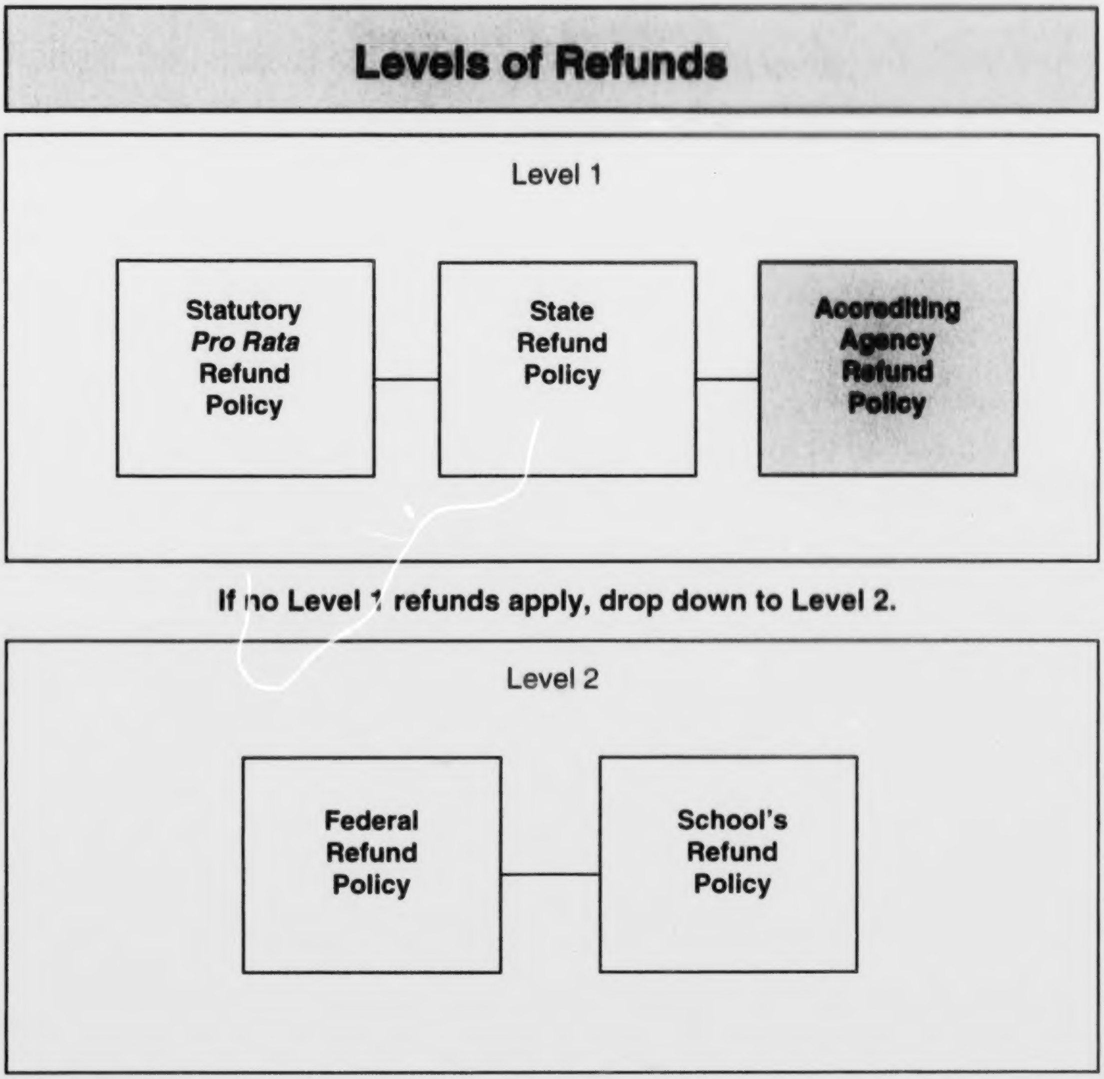
Repayments: None required if less than $100

Repay program accounts within 30 days of receiving funds from the student

There are two levels of refund calculations from which to choose.

The first level, which includes pro rata, state, and accrediting agency policies, is considered first. You would calculate all that apply and make a refund at least equal to the largest.

If none of the first level refunds apply, you would drop down to the second level and compare the federal refund policy to your school's own refund policy.


Levels of Refunds
Level 1
Statutory *Pro Rata* Refund Policy
State Refund Policy
Accrediting Agency Refund Policy
If no Level 1 refunds apply, drop down to Level 2.
Level 2
Federal Refund Policy
School's Refund Policy

Refunds — Timely Return of Funds

Student	Title IV Aid (non-FFEL)		FFEL
Official Withdrawal or Expulsion	**30 days from later of:** • last date of attendance • date student notifies school of withdrawal		**60 days from later of:** • last date of attendance • date student notifies school of withdrawal
Unofficial Withdrawal (drop out)	**(For funds to be returned to the programs) 30 days from:** • date school determines that student has ceased attending (not the withdrawal date)	**(For funds to be returned to the student) 30 days from earliest of:** • date school determines that student has ceased attending (not the withdrawal date) • end of-term • end of period of enrollment for which student was charged	**60 days from:** • date school determines that student has ceased attending (not the withdrawal date)
Unapproved Leave of Absence (LOA)	**30 days from:** • student's last date of recorded attendance		**60 days from:** • student's last date of recorded attendance
Never Return from Approved Leave of Absence (LOA)	**30 days from earlier of:** • end of LOA • date student notifies school		

BEST COPY AVAILABLE

PRACTICE (cont'd)

2) Student: Kathy

School: Davis University

Student Grade: first-time freshman

Classes Begin: 9/1

Enrollment Period: 9/1 - 5/12

Refund Information:
- no state policy available
- no accrediting agency policy approved

Withdrawal Date: 10/24

Required Calculation(s): ____________________

3) Student: Scarlett

School: Brock Community College

Student Grade: junior

Classes Begin: 9/1

Enrollment Period: 9/1 - 5/12

Refund Information:
- no state policy available
- no accrediting agency policy approved

Withdrawal Date: 12/1

Required Calculation(s): ____________________

PRACTICE (cont'd)

2) Student: Kathy
School: Davis University
Student Grade: first-time freshman
Classes Begin: 9/1
Enrollment Period: 9/1 - 5/12
Refund Information:
- no state policy available
- no accrediting agency policy approved

Withdrawal Date: 10/24
Required Calculation(s): ________________

3) Student: Scarlett
School: Brock Community College
Student Grade: junior
Classes Begin: 9/1
Enrollment Period: 9/1 - 5/12
Refund Information:
- no state policy available
- no accrediting agency policy approved

Withdrawal Date: 12/1
Required Calculation(s): ________________

Exercise 2 — Timely Processing

1. A student unofficially withdraws from school during the fall semester. The school does not discover he has withdrawn until the start of the spring semester. This school's enrollment period for which the student is charged is the fall term. When must the school return FFEL funds to the lender?

2. A student never returns from an approved leave of absence. He notifies the school three days after the end of his leave that he is not coming back. When must the school return Title IV funds?

3. Another student notifies the school three days before the end of her leave of absence that she is not coming back. When must the school return the non-FFEL funds in this scenario?

BACK AT THE OFFICE

Back at the office, you should:

- Get a copy of your state's policy (if available).
- Become familiar with the federal refund policy.
- Create or review your school's own policy.
- Make sure that your policies and procedures are clearly written and distributed to all present and prospective students.
- ______________________________
- ______________________________
- ______________________________

ANSWER KEY

Exercise 1 — Choosing the Right Refund

1. Student: Bill

   Required Calculations: **state refund policy only**

---

2. Student: Kathy

   Required Calculations: **pro rata only**

---

3. Student: Scarlett

   Required Calculations: **federal refund policy and (if one exists) school policy**

Exercise 2 — Timely Processing

1. **The school has up until 60 days from the start of the spring semester.**
2. **The school has 30 days from the end of the student's leave of absence.**
3. **In this case, the school has 30 days from the date the student informed the school that she is not returning to return the funds.**

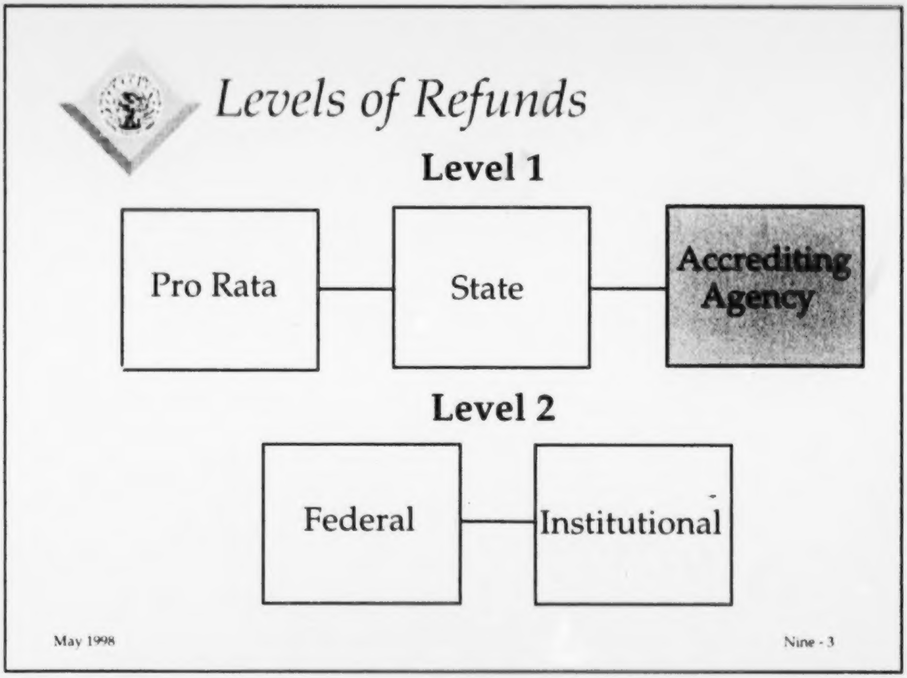
Refunds/Repayments - When?

- If student:
  - officially withdraws
  - drops out
  - is expelled
  - takes an unapproved leave of absence
  - fails to return from an approved leave of absence

Definitions

- Refund-return of unearned aid **credited** to a student's account to cover **institutional** charges

- Repayment-return of unearned aid **paid in cash** to the student to cover **noninstitutional** charges



Levels of Refunds

Level 1

Pro Rata

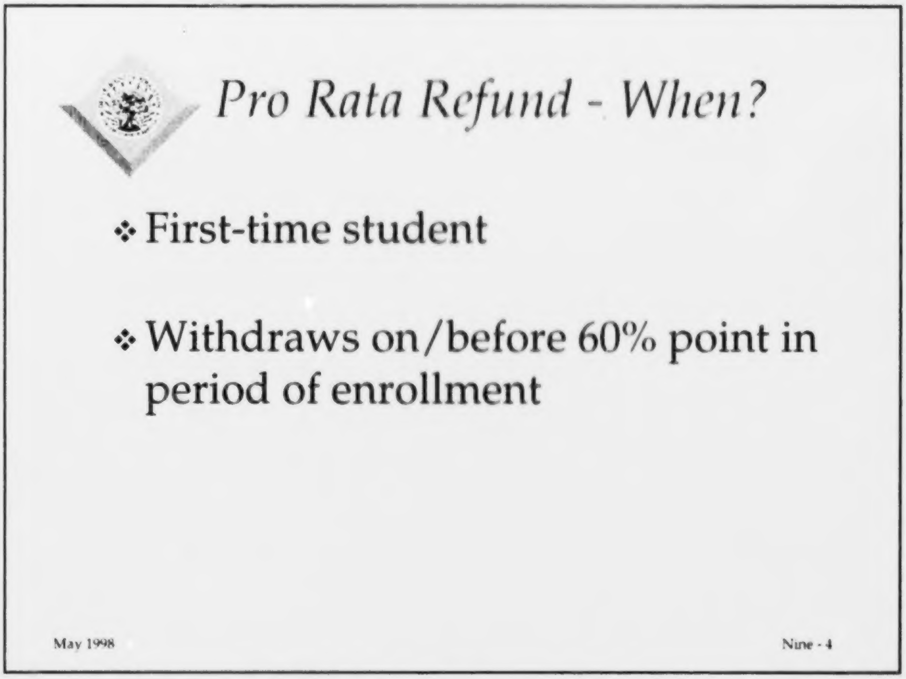
State

Accrediting Agency

Level 2

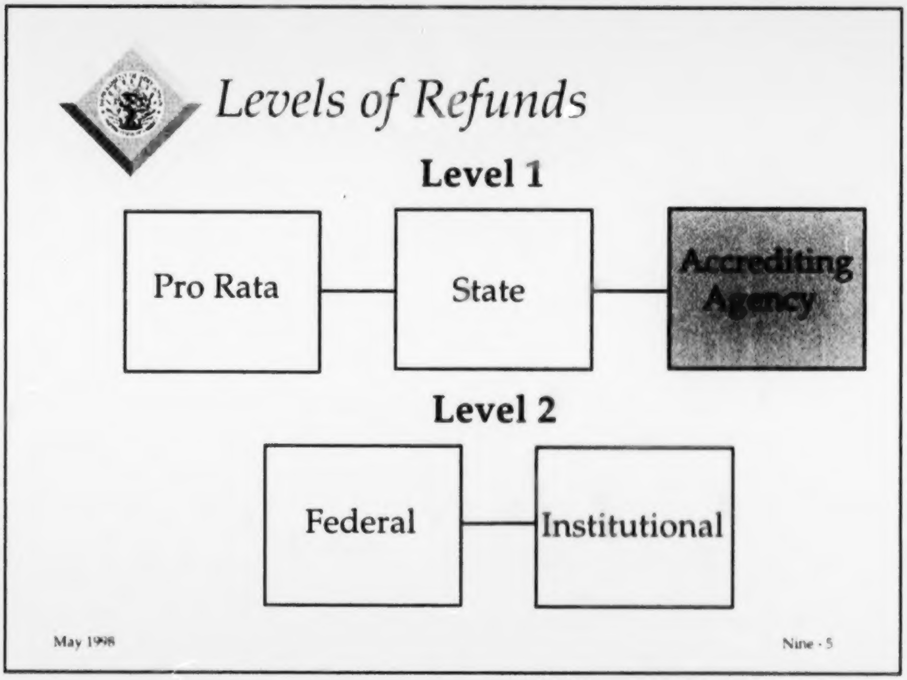
Federal

Institutional



Pro Rata Refund - When?

- First-time student
- Withdraws on/before 60% point in period of enrollment



Levels of Refunds

Level 1

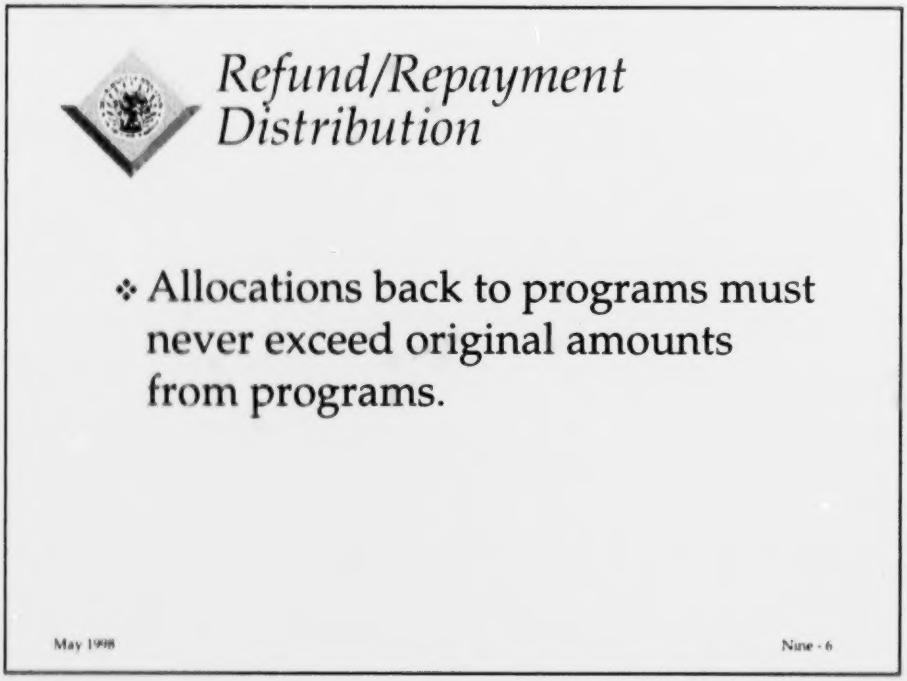
Pro Rata — State — Accrediting Agency

Level 2

Federal — Institutional

May 1998

Nine - 5



Refund/Repayment Distribution

- Allocations back to programs must never exceed original amounts from programs.

May 1998

Nine - 6

Repayment - School Responsibilities

- Notifying and billing student
- Collecting repayment
- Reporting to NSLDS
- Reporting any collection problems to ED

Collection Guidelines

To refer collection to ED, see:

Verification Guide
Chapter 5

Session 10 - Overview of Overpayments and Overawards

By the end of this session, you will be able to:

- ***describe the differences between an overpayment and an overaward and***
- ***identify circumstances under which overpayments and overawards might occur.***

RESOURCES

- *The 1998-99 Federal Student Financial Aid Handbook,* Chapter 4, Chapter 5, and Chapter 7
- *"Dear Colleague" Letter, P-94-2*
- *34 CFR Sections 668.61, 673.5, and 690.79*

SESSION CONTENTS

1. Need to Know
    - ♦ Chart — Overpayments vs. Overawards
2. Practice
    - ♦ Exercise 1 — Identifying Pell Grant Overpayment Situations
    - ♦ Exercise 2 — Overawards
3. Back at the Office
4. Answer Key

BEST COPY AVAILABLE

Where Overpayments and Overawards Might Occur in Title IV Programs

Program	Overpayment = Funds distributed to students in excess of need	Overaward = Funds awarded (but not yet disbursed) to students in excess of need
Federal Pell Grant Program	Yes	No
Federal Campus-Based Programs	Yes	Yes
Federal Direct Loan Program	No	Yes
FFEL Program	No	Yes

Exercise 1 — Identifying Pell Overpayment Situations

Determine whether the overpayment situation is caused by a school error, student error, required recalculation, or optional payment.

1. Rebecca has been selected for verification. She has submitted all the required documents except her verification worksheet. Rebecca received a Pell Grant for the fall semester.

2. Janis lives with her mother and stepfather. She only listed her mother's income information on the FAFSA. Janis was awarded the maximum Pell Grant.

3. Greater Falls University's satisfactory academic progress (SAP) policy requires that a student maintain a 2.0 grade point average (GPA) to receive Title IV aid. Lori's GPA at the end of her second year is 1.979. She received a Pell Grant in the fall semester of her third year.

Exercise 2 — Overawards

Alyssa attends The Management School, where the COA is $8,250. Her EFC is $1,750.

	COA	$8,250
-	EFC	$1,750
	Need	$6,500

The Management School provided Alyssa with the following award package.

Pell Grant	$1,250
FSEOG	$ 400
Federal Perkins Loan	$ 700
Subsidized Stafford Loan	$2,625
Management School Merit Award	$1,500
TOTAL EFA	**$6,475**

Alyssa then receives a state scholarship for $600.

1. Does the scholarship create an overaward?

____

____

2. How much is her overaward?

____

____

BACK AT THE OFFICE

Back at the office, you should:

- Obtain and study your school's packaging policy to help anticipate overpayment and overaward situations.
- ____
- ____
- ____

ANSWER KEY

Exercise 1 — Identifying Pell Overpayment Situations

For the following scenarios, determine whether the overpayment situation is caused by a school error, student error, required recalculation, or optional payment.

1. Rebecca has been selected for verification. She has submitted all the required documents except her verification worksheet. Rebecca received a Pell Grant for the fall semester.

   Optional payment. The school made a first payment to the student before it received final documentation to verify the information provided on Rebecca's FAFSA.

2. Janis lives with her mother and stepfather. She only listed her mother's income information on the FAFSA. Janis was awarded the maximum Pell Grant.

   Student error. When the stepfather's income is included in calculating the Expected Family Contribution (EFC), it may require reducing the student's Pell Grant award.

3. Greater Falls University's satisfactory academic progress (SAP) policy requires that a student maintain a 2.0 grade point average (GPA) to receive Title IV aid. Lori's GPA at the end of her second year is 1.979. She received a Pell Grant in the fall semester of her third year.

   School error. The school paid Lori, although she was not making SAP.

ANSWER KEY (cont'd)

Exercise 2 — Overawards

Alyssa attends The Management School, where the COA is $8,250. Her EFC is $1,750.

	COA	$8,250
-	EFC	$1,750
	Need	$6,500

The Management School provided Alyssa with the following award package.

Pell Grant	$1,250
FSEOG	$ 400
Federal Perkins Loan	$ 700
Subsidized Stafford Loan	$2,625
Management School Merit Award	$1,500
TOTAL EFA	**$6,475**

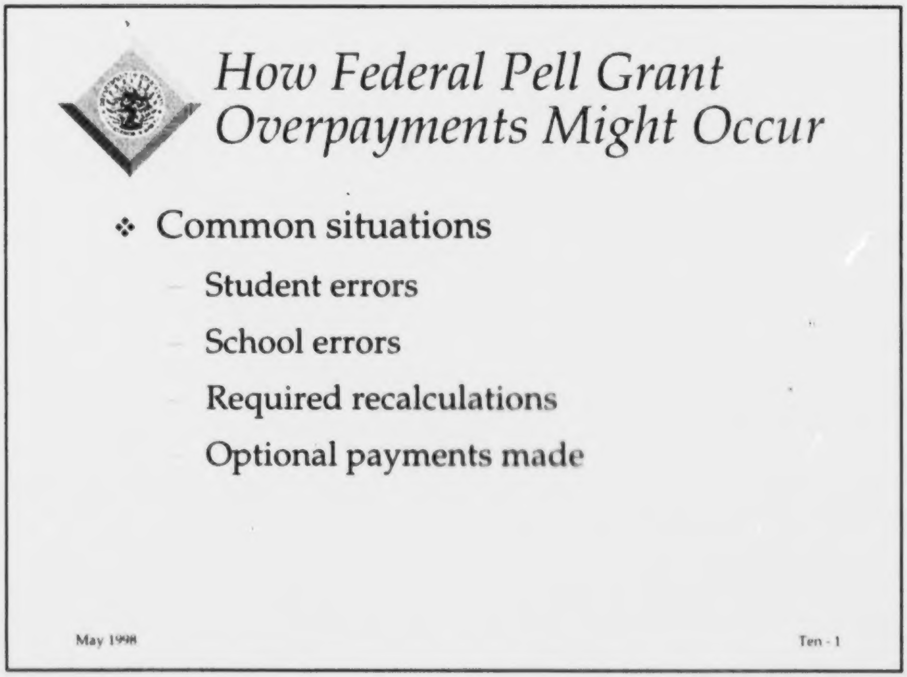
Alyssa then receives a state scholarship for $600.

1. Does the scholarship create an overaward?

   Yes, because Alyssa's total resources exceed her need.

2. How much is her overaward?

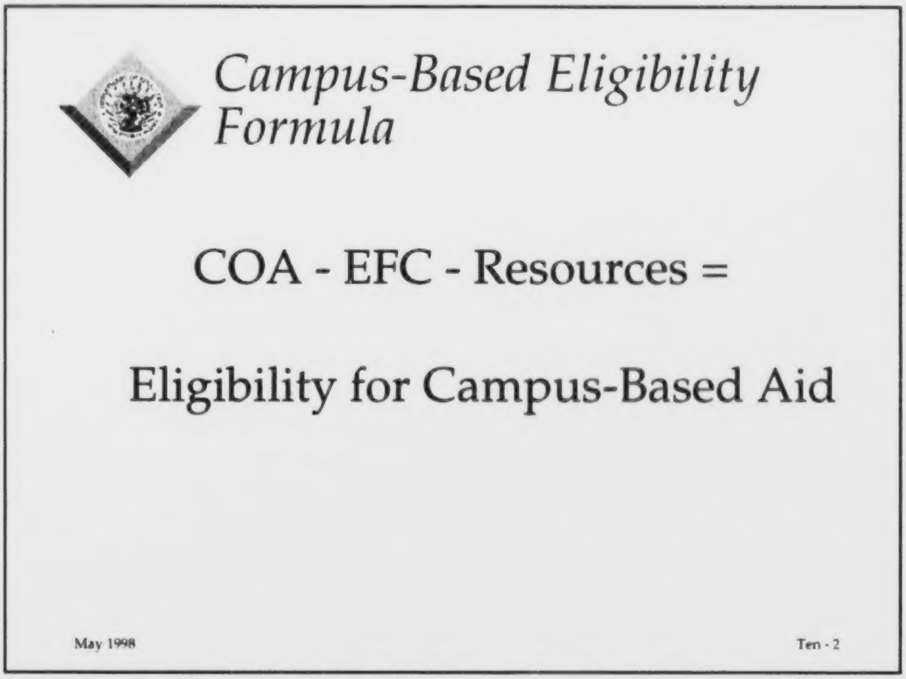
   $575, because her new EFA + EFC exceeds the COA by $575.



How Federal Pell Grant Overpayments Might Occur

- Common situations
  - Student errors
  - School errors
  - Required recalculations
  - Optional payments made

May 1998

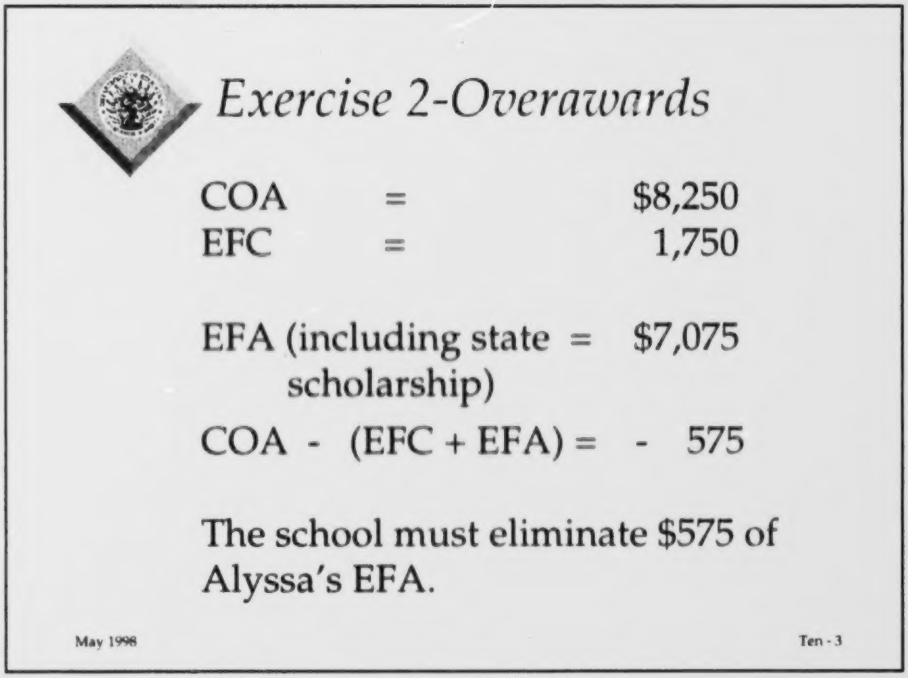


Campus-Based Eligibility Formula

COA - EFC - Resources =

Eligibility for Campus-Based Aid

May 1998



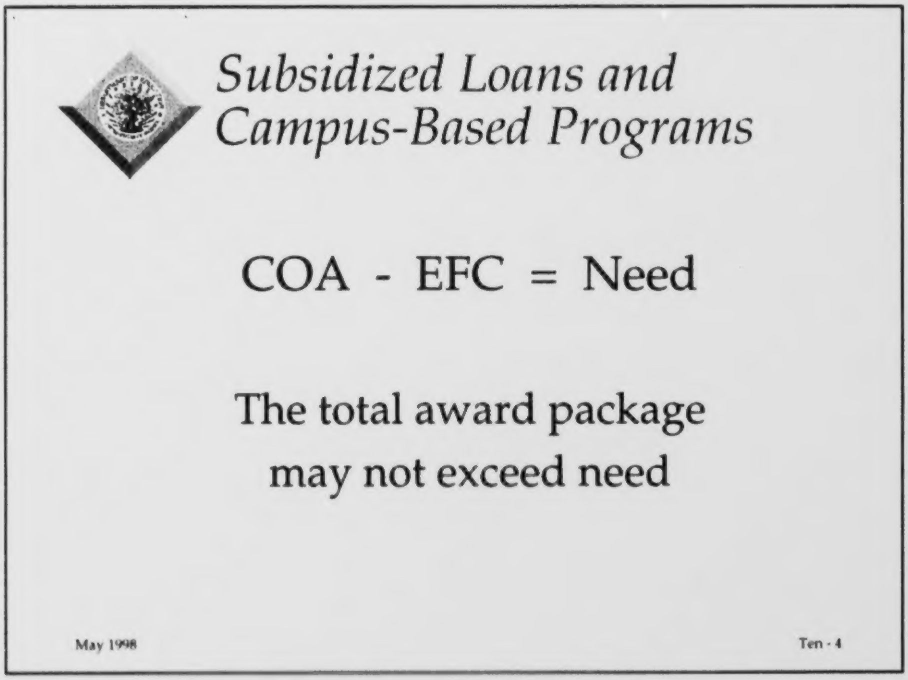
Exercise 2-Overawards

COA = $8,250
EFC = 1,750

EFA (including state scholarship) = $7,075

COA - (EFC + EFA) = - 575

The school must eliminate $575 of Alyssa's EFA.



Subsidized Loans and Campus-Based Programs

COA - EFC = Need

The total award package
may not exceed need

Unsubsidized Loans

COA - EFA = Eligibility for Unsubsidized Loan

The total award package may not exceed the COA

Session 11 - Evaluation and Inspector General Presentation

By the end of this session, you will be able to:

- ***identify the methods of evaluating student financial aid management,***
- ***understand how to prepare for audits, program reviews, and accrediting agency reviews, and***
- ***understand the process for each type of review.***

RESOURCES

- *34 CFR Part 602*
- *34 CFR 668.23*
- *The 1998-99 Federal Student Financial Aid Handbook,* Chapter 3
- *Government Accounting Standards,* published by the U.S. General Accounting Office (GAO).
- *The Institutional Guide for Financial Aid Self-Evaluation,* published by the National Association of Student Financial Aid Administrators (NASFAA).
  - NASFAA
    1920 L Street, NW, Suite 200
    Washington, DC 20036
    Telephone 202-785-0453
  - Price for Guide – $15 for members of NASFAA
    $30 for nonmembers

BEST COPY AVAILABLE

RESOURCES (cont'd)

- *The Self-Evaluation Guide,* found in Toolkit Plus, a financial aid guide published by Executive Management Services for the Career College Association.
  - EDTECH, Inc.
    204 East 25th Street
    Kearney, NE 66848
    Telephone 1-800-322-3674
- For information on ED's Quality Assurance Program (QAP), contact:
  - U.S. Department of Education/OPE/SFAP/IPOS
    Performance and Accountability Improvement Branch
    600 Independence Avenue, SW
    ROB-3, Room 3925
    Washington, DC 20202-5252
    Telephone 202-260-4788
- Toolkit Plus is available for $345 for a paper version, or $295 for an electronic version, plus shipping and handling.

SESSION CONTENTS

1. Need to Know
   - Chart — School Evaluations
   - Chart — Federal Audit Guidelines
   - Chart — Audit Process
   - Chart — Program Review Process
   - Chart — Common Title IV Program Review Findings and Cumulative Assessed Liabilities
     - ◊ About Accrediting Agency Reviews

SESSION CONTENTS (cont'd)

2. Practice
    - Review Quiz
    - Exercise — Financial Aid Self-Evaluation Worksheet and Plan
3. Back at the Office
4. Answer Key

School Evaluations

Type	Conducted by...	When...	Required...
1. Audits			
a. Nonfederal Audits (compliance and financial)	- Independent certified public accountant	- annual—on site	- for all SFA program schools - for third-party servicers that perform any function related to federal student financial aid programs
b. Federal Audits	- ED's Office of Inspector General (OIG)	- as determined by ED	- as needed
2. Program Reviews			
a. ED Program Reviews	- ED	- scheduled by ED	- for all SFA program schools
b. Guaranty Agency Reviews (for schools in the FFEL Program)	- guaranty agency	- once every 2 years	- for schools with highest FFEL Program loan volume through that agency, and for schools in its state with a default rate of more than 40%
3. Accrediting Agency Reviews	- peer reviewers - agency members	- Reviews occur "regularly"	- for all SFA program schools
4. Institutional Self-Evaluation	- your school	- not required, but recommended annually	- not required, but strongly recommended

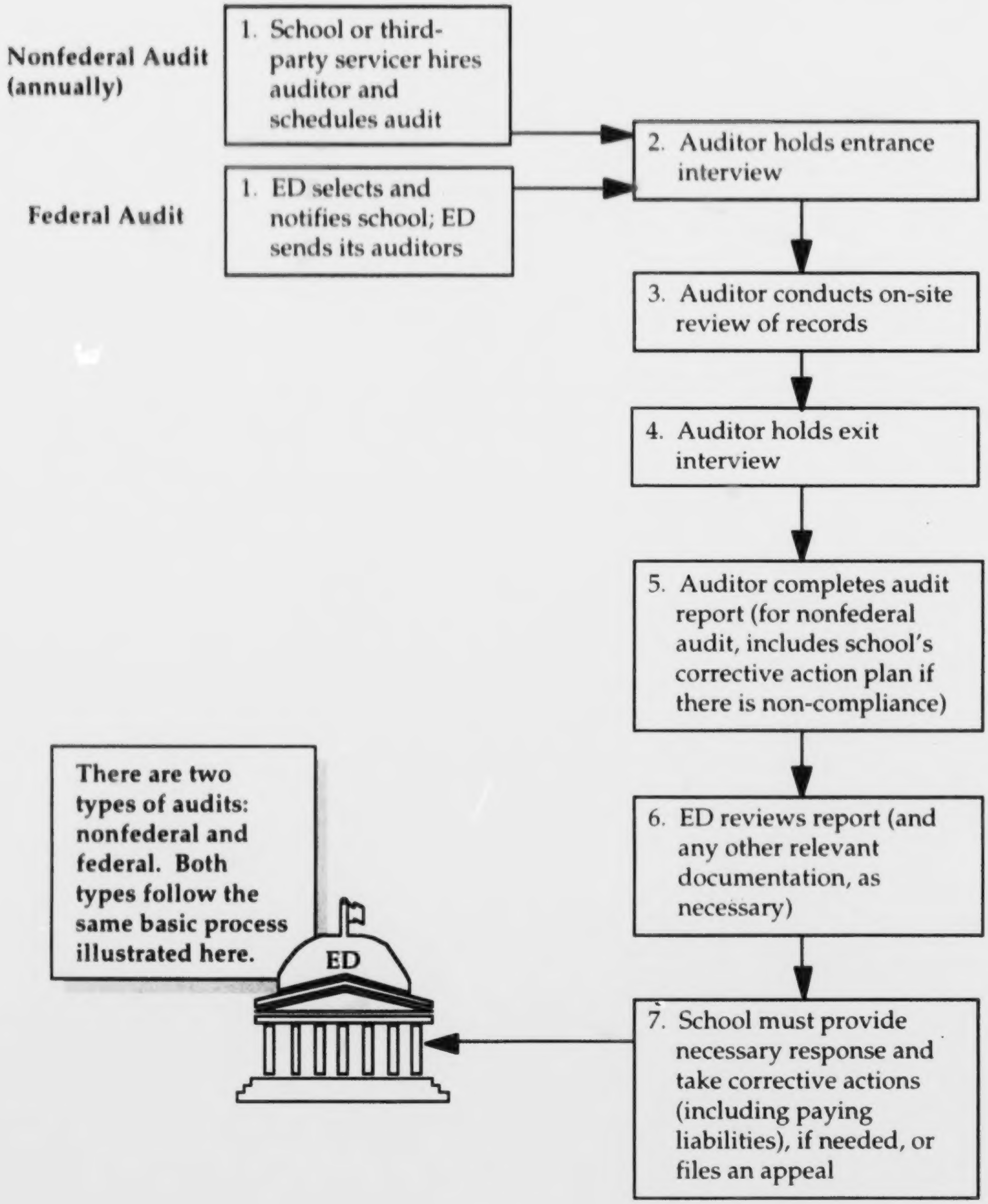
Federal Audit Guidelines

Category	Required Audit Guidelines
Public and non-profit	Revised OMB Circular A-133*, *Audits of Institutions of Higher Education and Other Nonprofit Organizations*
	OMB's *Compliance Supplements*
	Government Accounting Standards
For-profit	*ED's Audit Guide*** (Official Title: *Compliance Audits* [Attestation Engagements] *of Federal Student Financial Assistance Programs at Participating Institutions)*
	Government Accounting Standards
Third-party servicers	*ED's Audit Guide*
	Government Accounting Standards

*OMB Circular A-133 is available on the web at:
http://www.ed.gov/offices/OPE/pubs/audit.html

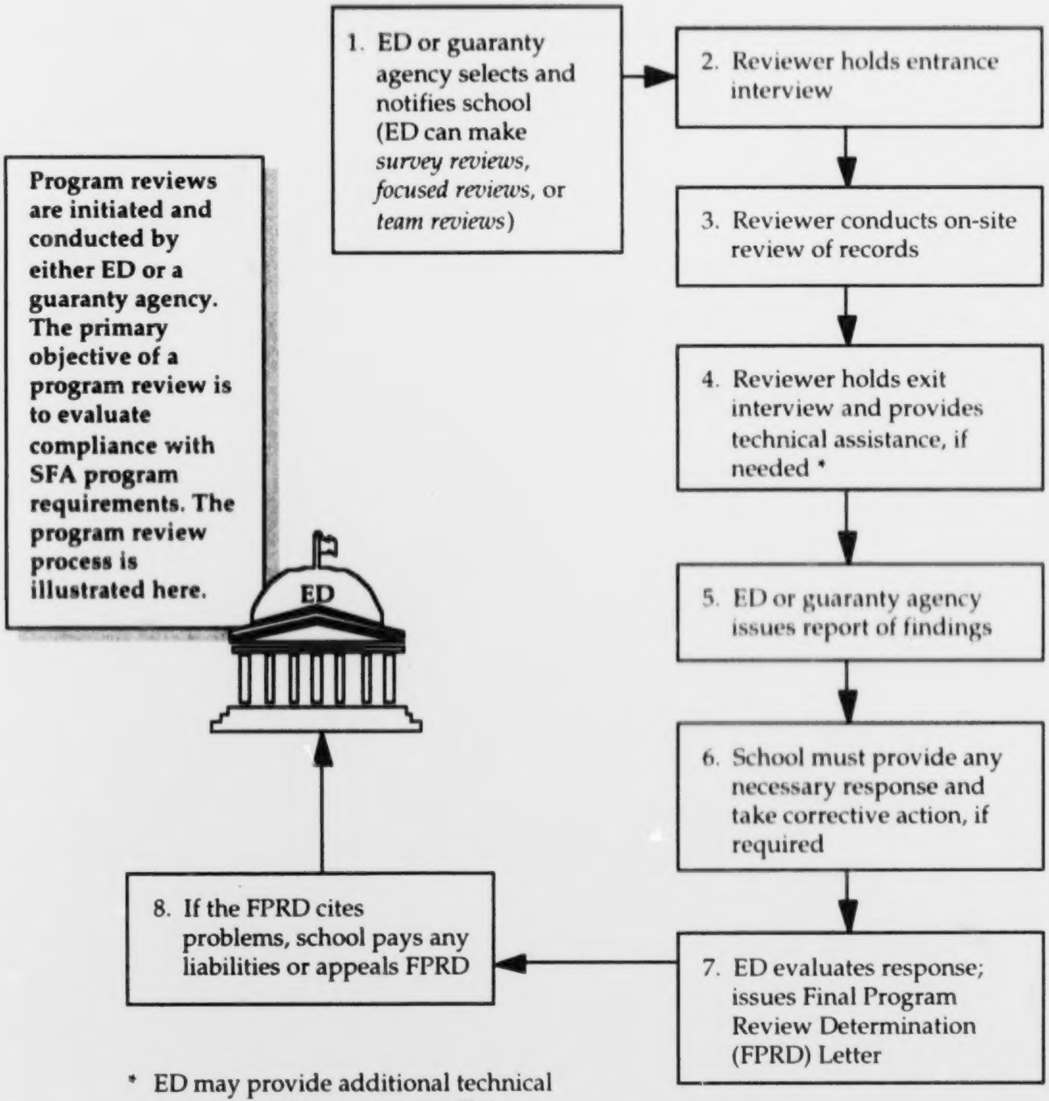
**The most updated version of the SFA Audit Guide is on the web at:
http://home.gvi.net/~edoig

Audit Process


Nonfederal Audit (annually)
1. School or third-party servicer hires auditor and schedules audit
Federal Audit
1. ED selects and notifies school; ED sends its auditors
2. Auditor holds entrance interview
3. Auditor conducts on-site review of records
4. Auditor holds exit interview
5. Auditor completes audit report (for nonfederal audit, includes school's corrective action plan if there is non-compliance)
6. ED reviews report (and any other relevant documentation, as necessary)
7. School must provide necessary response and take corrective actions (including paying liabilities), if needed, or files an appeal
ED

There are two types of audits: nonfederal and federal. Both types follow the same basic process illustrated here.

Program Review Process



Program reviews are initiated and conducted by either ED or a guaranty agency. The primary objective of a program review is to evaluate compliance with SFA program requirements. The program review process is illustrated here.

1. ED or guaranty agency selects and notifies school (ED can make *survey reviews*, *focused reviews*, or *team reviews*)
2. Reviewer holds entrance interview
3. Reviewer conducts on-site review of records
4. Reviewer holds exit interview and provides technical assistance, if needed *
5. ED or guaranty agency issues report of findings
6. School must provide any necessary response and take corrective action, if required
7. ED evaluates response; issues Final Program Review Determination (FPRD) Letter
8. If the FPRD cites problems, school pays any liabilities or appeals FPRD

* ED may provide additional technical assistance either on site or off site.

Title IV Program Review Findings with the Highest Cumulative Assessed Liabilities

Finding	Cumulative Assessed Liabilities
Ineligible Program — Approval Requirements not met	**$20,663,463**
Ability to Benefit — Testing Requirements not met	$5,114,627
Ineligible student — citizenship	$3,154,702
Lack of administrative capability	$3,078,585
Audit report not submitted — closed school	$3,054,783
Satisfactory academic progress policy not adequately developed/impaired administrative capability	$1,880,553
Pell — ineligible Pell disbursements	$1,409,408
Inadequate internal controls/impaired administrative capacity	$1,217,555
Audit report not submitted	$1,014,216
Credit/clock hour conversion improperly done	$936,237
Maximum annual or cumulative FFEL award exceeded	$921,651
Attendance records missing/impaired administrative capability	$752,271
Satisfactory academic progress standards not adequately monitored or applied/impaired administrative capability	$704,581
Refund — FFEL proceeds retained by institution	$496,505
Refund calculation incorrect	$381,547
Verification not documented/incomplete	$368,812
Total	**$45,119,496**

*Dollar amounts are for the period October 1, 1995 through September 30, 1996

About Accrediting Agency Reviews

An accrediting agency evaluates the quality of education or training offered by schools. Schools that participate in Title IV programs must be accredited by a nationally recognized accrediting agency.

It is the responsibility of the accrediting agency to evaluate the quality of education and training a school offers.

Regulations for nationally recognized accrediting agencies require that a review must take place whenever:

- a school establishes a branch campus—a site visit of that branch must be conducted within six months,
- a school has a change in ownership that results in a change of control—a site visit must be conducted within six months, and
- a school provides vocational education or training—an unannounced on-site inspection must be conducted between the date the school's accreditation is granted and the accreditation's expiration date.

These on-site inspections are in addition to the regular evaluations or visits conducted by the accrediting agency.

The accrediting agency must have established standards by which to assess the quality of education or training at a school. (See 34 CFR Part 602.)

Areas evaluated by an accrediting association include, but are not limited to:

- curricula,
- faculty,
- facilities,
- grading,
- recruiting and admissions practices,
- advertising,

- student success and completion rates in relation to the educational programs offered, and
- records of student complaints.

An accrediting agency's procedures must, at a minimum, include the following:

- an in-depth evaluation of the institution,
- an on-site review,
- agency analysis and evaluation of the institutional self-study, and
- a written report to the institution that assesses compliance with the agency's standards, performance with respect to student achievement, and areas in need of improvement.

PRACTICE

Review Quiz

1. What are four primary functions of an ED program review?

2. Schools participating in the federal student financial aid programs are required to have a nonfederal audit performed
__________________________.

    a. every five years

    b. biannually

    c. when required by state law

    d. annually

3. Accrediting agencies must conduct a review whenever:

    a. a school establishes a branch campus

    b. a school has a change in ownership

    c. a school doesn't provide vocational education or training

    d. Both (a) and (b)

    e. None of the above

4. Unlike audits, program reviews are not required by federal statutes or regulations. True or False?

    a. True

    b. False

5. Name three records or other items to which school personnel must provide access for the auditor or reviewer.

    ____

    ____

    ____

Exercise — Financial Aid Self-Evaluation Worksheet and Plan

Instructions

Step 1:

- Complete the Self-Evaluation Worksheet. Put a check mark in each box where you have solid, established policies and procedures. In the space provided in the worksheet, indicate briefly what those policies and procedures are.

Step 2:

- After you have completed the worksheet, complete the Self-Evaluation Plan that follows.

Self-Evaluation Worksheet

☐ How does the registrar's office notify the financial aid office when it receives academic transcripts from other institutions?

  ☐ at the time a student enrolls?

  ☐ after matriculation?

☐ Once classes begin, how does your institution verify that a student is actually attending school?

PRACTICE (cont'd)

☐ At what point and how do you determine a student's enrollment status (full time, 3/4 time, and so on)?

☐ Does your institution keep a list of all classes offered? Where?

☐ Does your institution keep a roster of who is attending those classes? Where?

☐ Is there a system of how instructors code, grade, or identify who attended their classes and those who did not?

☐ For a student who leaves school in the middle of a term or in the middle of a payment period, how does your institution determine the last day of attendance?

☐ How are changes in a student's enrollment status reported to and/or monitored by the financial aid office?

- ☐ When and how are these changes reflected in a student's aid package?

☐ What is the school's satisfactory academic progress policy, including the minimum allowable grade point average?

- ☐ Which office reviews student files to determine a student's satisfactory academic progress status? When is this done?

- ☐ What action is taken if a student is not making satisfactory academic progress?

☐ How do the financial aid office and the business office reconcile aid awarded and aid expended?

- ☐ How often is this done?

- ☐ Who is responsible for forecasting the school's need and eligibility for Title IV funds, and how often are they drawn down?
  - ☐ How is this forecast done?
- ☐ Who calculates refunds?
  - ☐ Are they verified?
  - ☐ By whom?
  - ☐ Who makes the refunds and when?

☐ How long does it take between the time you find out a student no longer is attending school and the time a refund is calculated?

☐ Does your institution keep a log of refund calculations that includes the time the refund is calculated and the date the check is mailed?

☐ Describe your school's default-management plan.

☐ Who is responsible for ensuring that the school's admissions, business, and financial aid offices work together and share information?

Self-Evaluation Plan

Based on the worksheet you just completed, identify areas that need attention.

1. ______
2. ______
3. ______
4. ______
5. ______
6. ______
7. ______
8. ______

Suggest policies and procedures for improving each area listed above.

1. ______
2. ______
3. ______
4. ______
5. ______
6. ______
7. ______
8. ______

BACK AT THE OFFICE

Back at the office, you should:

- Set up a schedule for submitting required audits in a timely fashion.
- Develop a recordkeeping system that ensures that student aid records are well maintained and easily obtained for review when requested.
- Consider putting in place a self-evaluation process.
- ____
- ____
- ____

ANSWER KEY

Review Quiz

1. What are the four primary functions of an ED program review?
    - **Monitor compliance with HEA statutes and regulations**
    - **Provide technical assistance to institutions**
    - **Refer for administrative action institutions mismanaging or abusing Title IV programs**
    - **Address and remedy any financial harm to the taxpayer through liability assessment and fines**

2. Schools participating in the federal student financial aid programs are required to have a nonfederal audit performed

    ______________________.

    a. every five years

    b. biannually

    c. when required by state law

    d. annually

3. Accrediting agencies must conduct a review whenever:

    a. a school establishes a branch campus

    b. a school has a change in ownership

    c. a school doesn't have vocational education or training

    d. Both a and b

    e. None of the above

4. Unlike audits, program reviews are not required by federal statute and regulations. True or False?

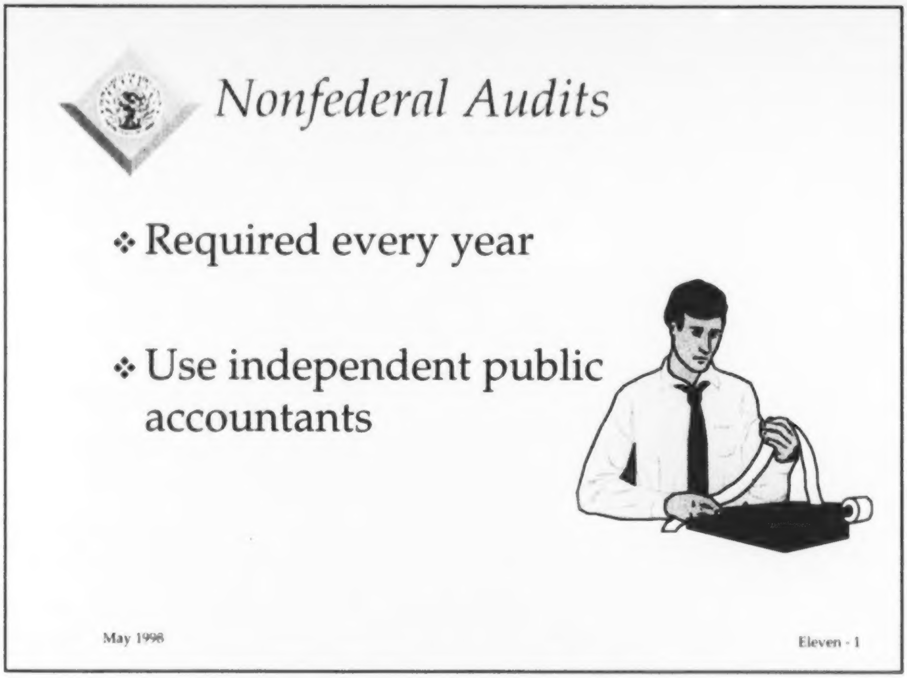
    a. True

    b. False

5. Name three records or other items to which school personnel must provide access for the auditor or reviewer.

   Any of the following are acceptable.

   - **The school's catalog(s) and other school publications;**
   - **the school's policies and procedures manual;**
   - **the school's Institutional Approval Letter and Program Participation Agreement for federal student financial aid programs;**
   - **all financial records and reports;**
   - **all student records; and**
   - **the school's enrollment data.**

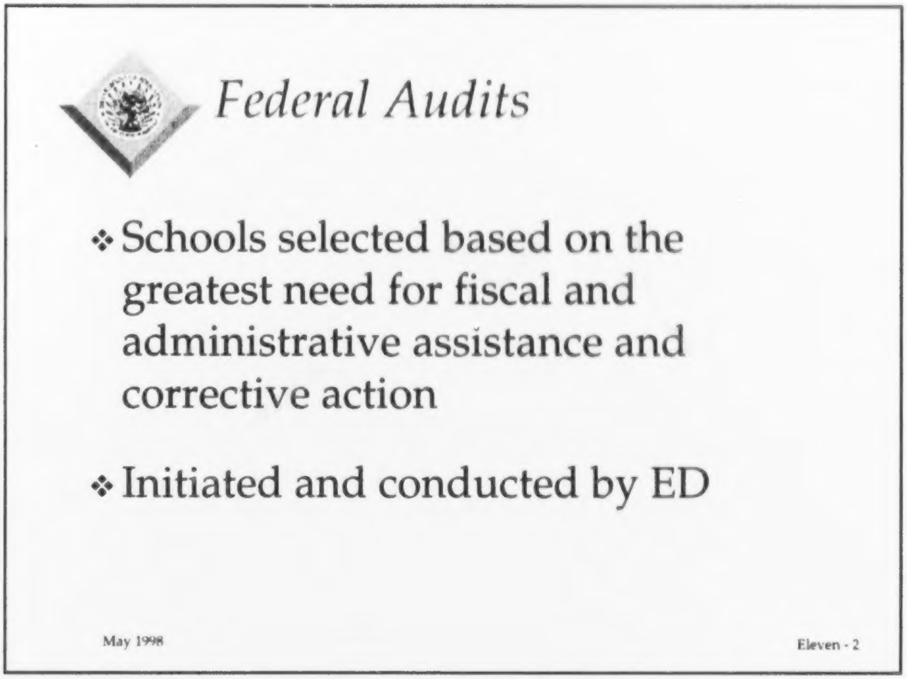


Nonfederal Audits

- Required every year
- Use independent public accountants

May 1998

Eleven - 1



Federal Audits

- Schools selected based on the greatest need for fiscal and administrative assistance and corrective action
- Initiated and conducted by ED

May 1998

Eleven - 2

Program Review

- Focuses on:
  - student eligibility and records
  - SFA program fund requests and transfers
  - due diligence
  - documentation for Title IV reports

Methods of Self-Evaluation

- Comprehensive evaluation system
- Quality-improvement plan
- Student financial aid annual report
- Students' written evaluations
- Peer evaluation

Session 12 - The Free Application for Federal Student Aid (FAFSA)

By the end of this session, you will be able to:

- ***complete a 1998-99 FAFSA,***
- ***identify potential problem areas within the FAFSA, and***
- ***analyze information provided in a sample FAFSA.***

RESOURCES

- *The 1998-99 Free Application for Federal Student Aid (FAFSA)*
- *The 1998-99 Counselor's Handbook for Postsecondary Schools*
- *1998-99 Action Letter #3 (GEN-97-13)* - Application Processing System

SESSION CONTENTS

1. Need to Know
    - ♦ Lecture Notes
2. Practice
    - ♦ Sample Student FAFSA Quiz — Find the Mistakes
    - ♦ Chris Jackson's FAFSA
3. Back at the Office
4. Answer Key

BEST COPY AVAILABLE

Lecture notes on the FAFSA

Section A

More information about **Social Security numbers** can be found in Chapter 2 of the *Federal Student Financial Aid Handbook.*

The box at the bottom of Section A tells students to notify the financial aid administrator at the school(s) to which they are applying of any unusual circumstances they may have such as:

- the family pays elementary school or secondary school tuition expenses; or
- the family has unusual medical or dental expenses not covered by insurance; or
- a family member recently became unemployed; or
- the family has other unusual circumstances that are not covered in the form and that might affect eligibility for student financial aid.

Financial aid administrators can take action on one of these circumstances in Section H.

Section B

Some state agencies use the information in Section B to award grants and scholarships.

See page 4 of the FAFSA instructions for the list of programs you must include as **veterans' education benefits**.

Section C

To be classified as an **independent student**, a student must:

- be at least 24 years of age by December 31, 1998; or
- be a veteran of the U.S. Armed Forces; or
- be enrolled in a graduate or professional program course of study; or
- be married at the time the student signs the application; or
- be an orphan or ward of the court or have been a ward of the court until reaching the age of 18; or
- have legal dependents, other than a spouse.

See page 4 of the FAFSA instructions for the definitions of "veteran," "legally married," "orphan," and "legal dependent."

Students whose dependency status changes after the FAFSA is filed must update their dependency status information by making corrections on the SAR or through the EDExpress software at the school.

- A dependent applicant may not change his or her dependency status because of a change in his or her marital status.
- An applicant cannot change dependency status on a Direct Loan origination record or for an FFEL Program loan application that has been previously certified.

Section D

See pages 4 and 5 of the FAFSA instructions for an explanation of "Household Information."

Section E

Worksheet #1 on page 11 of the FAFSA instructions helps students calculate income.

Worksheet #2 on page 11 of the FAFSA instructions helps students calculate their untaxed income and benefits.

Worksheet #3 on page 12 of the FAFSA instructions helps students calculate exclusions for amounts included in taxed income. (See FAFSA, Section F.)

Section F

A **dependent student** qualifies for the Simplified Needs Test when:

- the student and his or her parents have not filed and will not file an IRS Form 1040; **or**
- the student and his or her parents are not required to file an IRS Form 1040; **and**
- the parents' AGI or earned income is less than $50,000.

An **independent student** qualifies for the Simplified Needs Test when:

- the student (and spouse, if applicable) has not filed and will not file an IRS Form 1040; **or**
- the student (and spouse, if applicable) is not required to file an IRS Form 1040; **and**
- the student's (or couple's) AGI or earned income is less than $50,000.

A student who **does not** qualify for the Simplified Needs Test must complete Section F.

Section G

A student can enter up to six schools to automatically receive his or her FAFSA information in the form of an Institutional Student Information Record (ISIR).

Later, that student can replace the schools listed with other schools.

Section H

When a student fills out an original FAFSA, the financial aid administrator can use professional judgment to change the student's dependency status from dependent to independent.

To override and change a student to independent status, the FAA must complete the "School Use Only" box in Section H.

- Fill in the oval to show that the student's status is being overridden and changed to independent,
- Enter the school's Title IV institution code, and
- Sign the box.

Note: Dependency overrides cannot change students from independent to dependent status.

If you become aware of a student's unusual circumstances after the FAFSA has already been submitted, a dependency status override can still be implemented by having the student submit a corrected SAR in which you have completed the "School Use Only" box or through the Electronic Data Exchange (EDE).

FAFSA Quiz — Find the Mistakes

Chris Jackson submitted her application for processing, but it came back unprocessed. Find the five possible mistakes on Chris's FAFSA, which begins on the next page.

1. ______________________________

2. ______________________________

3. ______________________________

4. ______________________________

5. ______________________________

*F*ree *A*pplication for *F*ederal *S*tudent *A*id

1998–99 School Year

WARNING: If you purposely give false or misleading information on this form, you may be fined $10,000, sent to prison, or both.

"You" and "your" on this form always mean the student who wants aid.

Form Approved
OMB No. 1840-0110
App. Exp. 6/30/99

U.S. Department of Education
Student Financial
Assistance Programs

Use black ink or #2 pencil. Make capital letters and numbers clear and legible. E X M 0 6 *Fill in ovals completely. Only one oval per question.* Correct ● *Incorrect marks may cause errors.* Incorrect ⊗ ✓

Section A: You (the student)

1–3. Your name — 1. Last name: JACKSON — 2. First name: CHRIS — 3. M.I.: B

Your title (optional) — Mr. ○ 1 Miss, Mrs., or Ms. ● 2

4–7. Your permanent mailing address *(All mail will be sent to this address. See Instructions, page 2 for state/country abbreviations.)*

4. Number and street (Include apt. no.): 2912 BLUEFIELD COURT

5. City: ROCKVILLE — 6. State: MD — 7. ZIP code: 20906

8. Your social security number (SSN) *(Don't leave blank. See Instructions, page 2.)* ☐

9. Your date of birth — Month Day Year: 02 10 1998

10. Your permanent home telephone number — Area code: 301 111 0000

11. Your state of legal residence — State: MD

12. Date you became a legal resident of the state in question 11 *(See Instructions, page 2.)* — Month Year: 10 1993

13. Your driver's license number. *(If you don't have a license, write in "None.")*

License number: NONE

14. State that issued your driver's license. State: ☐

15–16. Are you a U.S. citizen? *(See Instructions, pages 2–3.)*

- Yes, I am a U.S. citizen. ● 1
- No, but I am an eligible noncitizen. ○ 2
  A ☐
- No, neither of the above. ○ 3

17. As of today, are you married? *(Fill in only one oval.)*

- I am not married. (I am single, widowed, or divorced.) ● 1
- I am married. ○ 2
- I am separated from my spouse. ○ 3

18. Date you were married, separated, divorced, or widowed. If divorced, use date of divorce or separation, whichever is earlier. *(If never married, leave blank.)* Month Year: 19

19. Will you have your first bachelor's degree before July 1, 1998? *(See Instructions, page 3.)* Yes ● 1 No ○ 2

20. Will you have received a high school diploma or earned a GED before the first date of your enrollment in college? Yes ● 1 No ○ 2

21. Highest educational level your father completed.

- elementary school (K–8) ○ 1
- high school (9–12) ● 2
- college or beyond ○ 3
- unknown ○ 4

22. Highest educational level your mother completed.

- elementary school (K–8) ○ 1
- high school (9–12) ● 2
- college or beyond ○ 3
- unknown ○ 4

If you (and your family) have **unusual circumstances**, complete this form and then check with your financial aid administrator. Examples:

- tuition expenses at an elementary or secondary school,
- unusual medical or dental expenses not covered by insurance,
- a family member who recently became unemployed, or
- other unusual circumstances such as changes in income or assets that might affect your eligibility for student financial aid.

Section B: Your Plans *Answer these questions about your college plans.*

23–27. Your expected enrollment status for the 1998–99 school year *(See Instructions, page 3.)*

School term	Full time	3/4 time	1/2 time	Less than 1/2 time	Not enrolled
23. Summer term '98	○ 1	○ 2	○ 3	○ 4	● 5
24. Fall semester/qtr. '98	● 1	○ 2	○ 3	○ 4	○ 5
25. Winter quarter '98-99	○ 1	○ 2	○ 3	○ 4	● 5
26. Spring semester/qtr. '99	● 1	○ 2	○ 3	○ 4	○ 5
27. Summer term '99	○ 1	○ 2	○ 3	○ 4	● 5

28. Your course of study *(See Instructions for code, page 3.)* Code: 0 6

29. College degree/certificate you expect to receive *(See Instructions for code, page 3.)* 4

30. Date you expect to receive your degree/certificate Month Year: 0 5 2 0 0 2

31. Your grade level during the 1998–99 school year *(Fill in only one.)*

1st yr./never attended college ● 1
1st yr./attended college before ○ 2
2nd year/sophomore ○ 3
3rd year/junior ○ 4
4th year/senior ○ 5
5th year/other undergraduate ○ 6
1st year graduate/professional ○ 7
2nd year graduate/professional ○ 8
3rd year graduate/professional ○ 9
Beyond 3rd year graduate/professional ○ 10

32–34. In addition to grants, what other types of financial aid are you (and your parents) interested in? *(See Instructions, page 3.)*

32. Student employment Yes ● 1 No ○ 2
33. Student loans Yes ● 1 No ○ 2
34. Parent loans for students Yes ○ 1 No ● 2

35. If you are (or were) in college, do you plan to attend **that same college** in 1998–99? *(If this doesn't apply to you, leave blank.)* Yes ○ 1 No ○ 2

36–37. Veterans education benefits you expect to receive from July 1, 1998 through June 30, 1999

36. Amount per month $ 0 .00
37. Number of months 0

Section C: Student Status

38. Were you born **before** January 1, 1975? Yes ○ 1 No ● 2
39. Are you a veteran of the U.S. Armed Forces? Yes ○ 1 No ● 2
40. Will you be enrolled in a graduate or professional program (beyond a bachelor's degree) in 1998-99? Yes ○ 1 No ● 2
41. Are you married? Yes ○ 1 No ● 2
42. Are you an orphan or a ward of the court, or **were** you a ward of the court until age 18? Yes ○ 1 No ● 2
43. Do you have legal dependents (**other than a spouse**) that fit the definition in Instructions, page 4? Yes ○ 1 No ● 2

If you answered **"Yes"** to **any** question in Section C, go to Section D and fill out **both the GRAY and the WHITE** areas on the rest of this form.

If you answered **"No"** to **every** question in Section C, go to Section D and fill out **both the BLUE and the WHITE** areas on the rest of this form.

Section D: Household Information

Remember:
At least one "Yes" answer in Section C means fill out the GRAY and WHITE areas.

All "No" answers in Section C means fill out the BLUE and WHITE areas.

STUDENT (& SPOUSE)

44. Number in your household in 1998–99 *(Include yourself and your spouse. Do not include your children and other people unless they meet the definition in Instructions, page 4.)*

45. Number of college students in household in 1998–99 *(Of the number in 44, how many will be in college at least half-time in at least one term in an eligible program? Include yourself. See Instructions, page 4.)*

PARENT(S)

46. Your parent(s)' **current** marital status:

single ○ 1
married ● 2
separated ○ 3
divorced ○ 4
widowed ○ 5

47. Your parent(s)' state of legal residence State: M D

48. Date your parent(s) became legal resident(s) of the state in question 47 *(See Instructions, page 5.)* Month Year: 1 0 1 9 9 3

49. Number in your parent(s)' household in 1998–99 *(Include yourself and your parents. Do not include your parent(s)' other children and other people unless they meet the definition in Instructions, page 5.)* 0 6

50. Number of college students in household in 1998–99 *(Of the number in 49, how many will be in college at least half-time in at least one term in an eligible program? Include yourself. See Instructions, page 5.)* 2

Section E: 1997 Income, Earnings, and Benefits

You must see Instructions, pages 5 and 6, for information about tax forms and tax filing status, especially if you are estimating taxes or filing electronically or by telephone. These instructions will tell you what income and benefits should be reported in this section.

The following 1997 U.S. income tax figures are from:	STUDENT (& SPOUSE) *Everyone must fill out this column.* 51. *(Fill in one oval.)*	PARENT(S) 63. *(Fill in one oval.)*
A—a completed 1997 IRS Form 1040A, 1040EZ, or 1040TEL	○ 1	A ● 1
B—a completed 1997 IRS Form 1040	○ 2	B ○ 2
C—an estimated 1997 IRS Form 1040A, 1040EZ, or 1040TEL	○ 3	C ○ 3
D—an estimated 1997 IRS Form 1040	○ 4	D ○ 4
E—will not file a 1997 U.S. income tax return *(Skip to question 55.)*	● 5	E *(Skip to 67.)* ○ 5

TAX FILERS ONLY (items 52–54 and 64–66)

	STUDENT (& SPOUSE)	PARENT(S)
1997 Total number of exemptions (Form 1040–line 6d, or 1040A–line 6d; 1040EZ filers— *see Instructions, page 6.*)	52.	64. 06
1997 Adjusted Gross Income (AGI: Form 1040–line 32, 1040A–line 16, or 1040EZ–line 4—*see Instructions, page 6.*)	53. $ .00	65. $ 23461.00
1997 U.S. income tax paid (Form 1040–line 46, 1040A–line 25, or 1040EZ–line 10	54. $ .00	66. $ 369.00
1997 Income earned from work	(Student) 55. $ 0.00	(Father) 67. $ 19566.00
1997 Income earned from work	(Spouse) 56. $ 0.00	(Mother) 68. $ 3895.00
1997 Untaxed income and benefits (yearly totals only):		
Earned Income Credit (Form 1040–line 56a, Form 1040A–line 29c, or Form 1040EZ–line 8a)	57. $ 0.00	69. $ 0.00
Untaxed Social Security Benefits	58. $ 0.00	70. $ 0.00
AFDC/ADC or TANF *(See Instructions, pages 6 and 7.)*	59. $ 0.00	71. $ 0.00
Child support received for all children	60. $ 0.00	72. $ 0.00
Other untaxed income and benefits from Worksheet #2, page 11	61. $ 0.00	73. $ 0.00
1997 Amount from Line 5, Worksheet #3, page 12 *(See Instructions.)*	62. $ 0.00	74. $ 0.00

Section F: Asset Information

ATTENTION!

Fill out Worksheet A or Worksheet B in Instructions, page 7. *If you meet the tax filing and income conditions on Worksheets A and B, you do not have to complete Section F to apply for Federal student aid. Some states and colleges, however, require Section F information for their own aid programs. Check with your financial aid administrator and/or State Agency.*

Age of your older parent 82. 48

	STUDENT (& SPOUSE)	PARENT(S)
Cash, savings, and checking accounts	75. $ 850.00	83. $ 1000.00
Other real estate and investments value *(Don't include the home.)*	76. $ 0.00	84. $ 0.00
Other real estate and investments debt *(Don't include the home.)*	77. $ 0.00	85. $ 0.00
Business value	78. $ 0.00	86. $ 0.00
Business debt	79. $ 0.00	87. $ 0.00
Investment farm value *(See Instructions, page 8.) (Don't include a family farm.)*	80. $ 0.00	88. $ 0.00
Investment farm debt *(See Instructions, page 8.) (Don't include a family farm.)*	81. $ 0.00	89. $ 0.00

Section G: Releases and Signatures

Page 4

90–101. What college(s) do you plan to attend in 1998–99?
(Note: The colleges you list below will have access to your application information. See Instructions, page 8.)

Housing codes	1—on-campus 2—off-campus 3—with parent(s)

	Title IV School Code	OR College Name	College Street Address and City	State		Housing Code
XX.	0 5 4 3 2 1	EXAMPLE UNIVERSITY	14930 NORTH SOMEWHERE BLVD. ANYWHERE CITY	S T	XX.	2
90.	0 9 9 9 9 9	Chesapeake State Univ.			91.	3
92.					93.	
94.					95.	
96.					97.	
98.					99.	
100.					101.	

102. The U.S. Department of Education will send information from this form to your state financial aid agency and the state agencies of the colleges listed above so they can consider you for state aid. Answer "No" if you don't want information released to the state. *(See Instructions, page 9 and "Deadlines for State Student Aid," page 10.)* ....102. No ○ 2

103. Males not yet registered for Selective Service (SS): Do you want SS to register you? *(See Instructions, page 9.)* ....103. Yes ○ 1

104–105. Read, Sign, and Date Below

By signing below, you certify that all the information on this form is true and complete to the best of your knowledge. If asked, you agree to give proof of the information, which may include a copy of your U.S. or state income tax form. If you purposely give false or misleading information, you may be fined $10,000, sent to prison, or both. You also certify that:

- you will use any federal student aid funds received during the award year covered by this application solely for educational expenses related to attendance during that year at the institution of higher education that determined eligibility for those funds;
- you are not in default on a Title IV educational loan, or you have repaid or made satisfactory arrangements to repay your loan if you are in default;
- you do not owe an overpayment on a Title IV educational grant, or you have made satisfactory arrangements to repay that overpayment; and
- you will notify your school if you do owe an overpayment or are in default.

Everyone whose information is given on this form should sign below. The student (and at least one parent, if parental information is given) must sign below or this form will be returned unprocessed.

104. Signatures *(Sign in the boxes below.)*

1 Student Chris B. Jackson

2 Student's Spouse

3 Father/Stepfather

4 Mother/Stepmother

105. Date completed

Month	Day	Year
0 2	0 1	1998 ● 1999 ○

Section H: Preparer's Use Only

For preparers other than student, spouse, and parent(s). Student, spouse, and parent(s), sign in question 104.

Preparer's name (last, first, M.I.)

Firm name

Firm or preparer's address (street, city, state, ZIP)

106. Employer identification number (EIN)

OR

107. Preparer's social security number

108. Certification: All of the information on this form is true and complete to the best of my knowledge.

1 Preparer's Signature Date

School Use Only

D/O ○ 1 Title IV Code

1 FAA Signature

MDE Use Only
Do not write in this box
Special handle

MAKE SURE THAT YOU HAVE COMPLETED, DATED, AND SIGNED THIS APPLICATION.

Mail the original application (NOT A PHOTOCOPY) to: Federal Student Aid Programs, P.O. Box 4014, Mt. Vernon, IL 62864-8614

BACK AT THE OFFICE

Back at the office, you should:

- Review the FAFSA and its instructions.
- Obtain a copy of *The 1998-99 Counselor's Handbook for Postsecondary Schools* by calling 1-800-4-FED-AID.
- ______________________________
- ______________________________
- ______________________________

ANSWER KEY

FAFSA Quiz

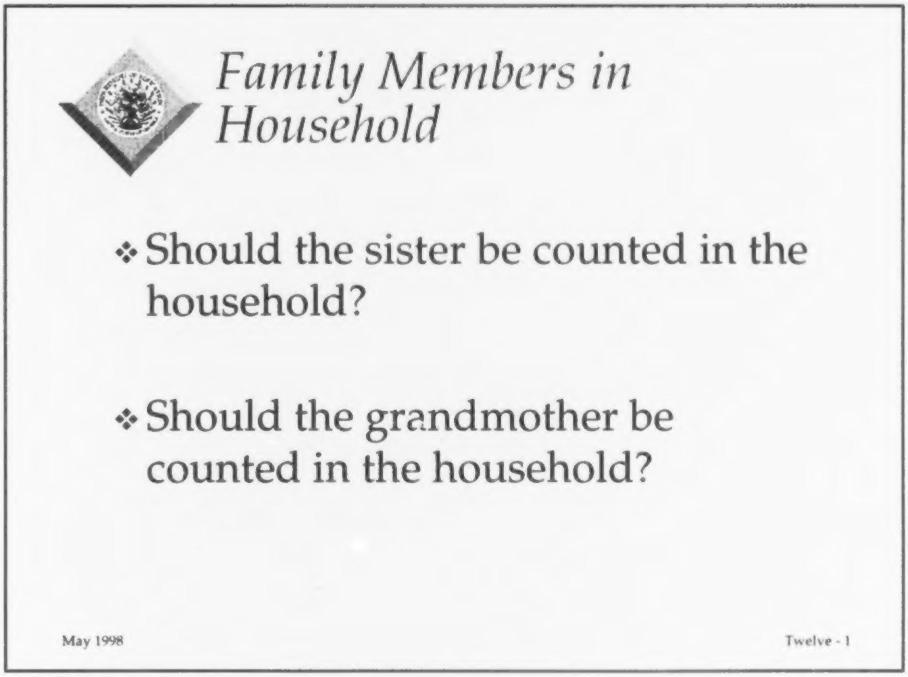
#8 Your Social Security number. Chris left this blank. A student must have a Social Security number to apply for federal financial assistance. If a student fails to fill in his or her Social Security number, the FAFSA will be returned to the student unprocessed.

#9 Your date of birth. The year that Chris reported as her birth date was for the current year. This will not cause her application to be returned unprocessed, but she will receive a reject on her SAR that asks her to correct this information.

#19 First bachelor's degree. Chris stated that she would have her first bachelor's degree before July 1, 1998. This is conflicting information since she also stated that she is a first-year/never attended college student. If true, which is unlikely, it also means she will not be eligible for a Federal Pell Grant or a Federal Supplemental Educational Opportunity Grant (FSEOG). Her SAR would come back and ask her to clarify this information.

#102 Sending information to state agencies to be considered for state aid. Most students leave this blank even if the student has missed the deadline because it's possible the student could qualify for state aid from other sources. The date Chris signed the FAFSA should have been within state limitations, so Chris may want to reconsider.

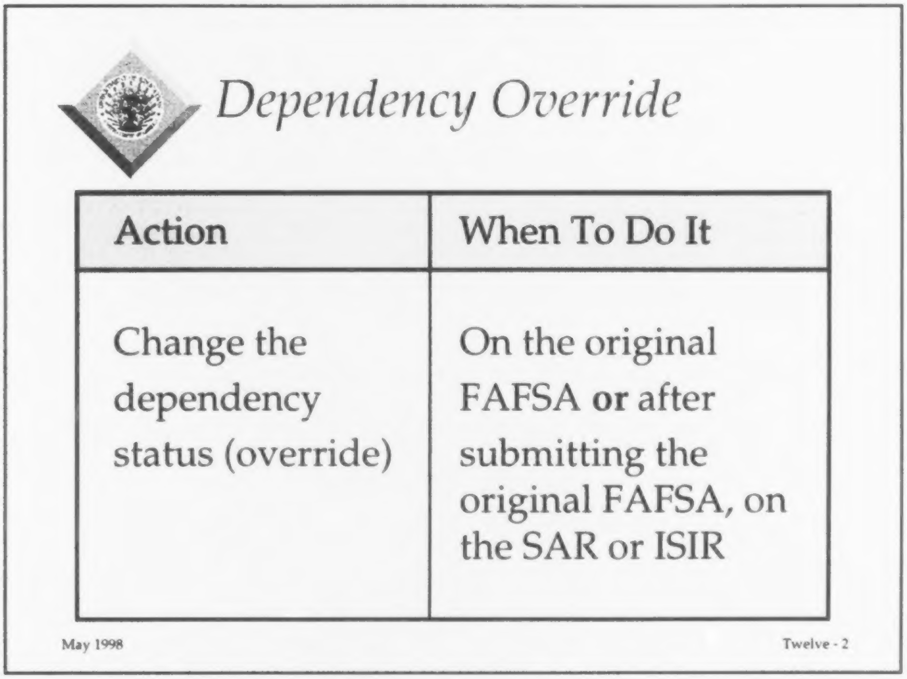
#104 Signatures. Chris is a dependent student; therefore, her mother or father would have to sign and date the application.



Family Members in Household

- Should the sister be counted in the household?
- Should the grandmother be counted in the household?

May 1998 Twelve - 1



Dependency Override

Action	When To Do It
Change the dependency status (override)	On the original FAFSA **or** after submitting the original FAFSA, on the SAR or ISIR

May 1998 Twelve - 2

Session 13 - Paper and Electronic Applications

By the end of this session, you will be able to:

- ***understand the ins and outs of different financial aid applications and***
- ***describe processing for each type of application.***

RESOURCES

- *The 1998-99 Federal Student Financial Aid Handbook*
- *1997-98 Action Letter #4 [GEN-96-20]* - EDExpress
- *1998-99 Action Letter #3 (GEN-97-13)* - Application Processing System
- *DCL GEN-95-41 and Action Letter #12, August 1995* - FAFSA Express

SESSION CONTENTS

1. Need to Know
    - ♦ Lecture Notes
    - ♦ Chart — The 1998-99 Federal Application Processing System
2. Practice
    - ♦ Review Quiz — Types of FAFSAs
3. Back at the Office
4. Answer Key

NEED TO KNOW

FAFSA Express: (PC users only)

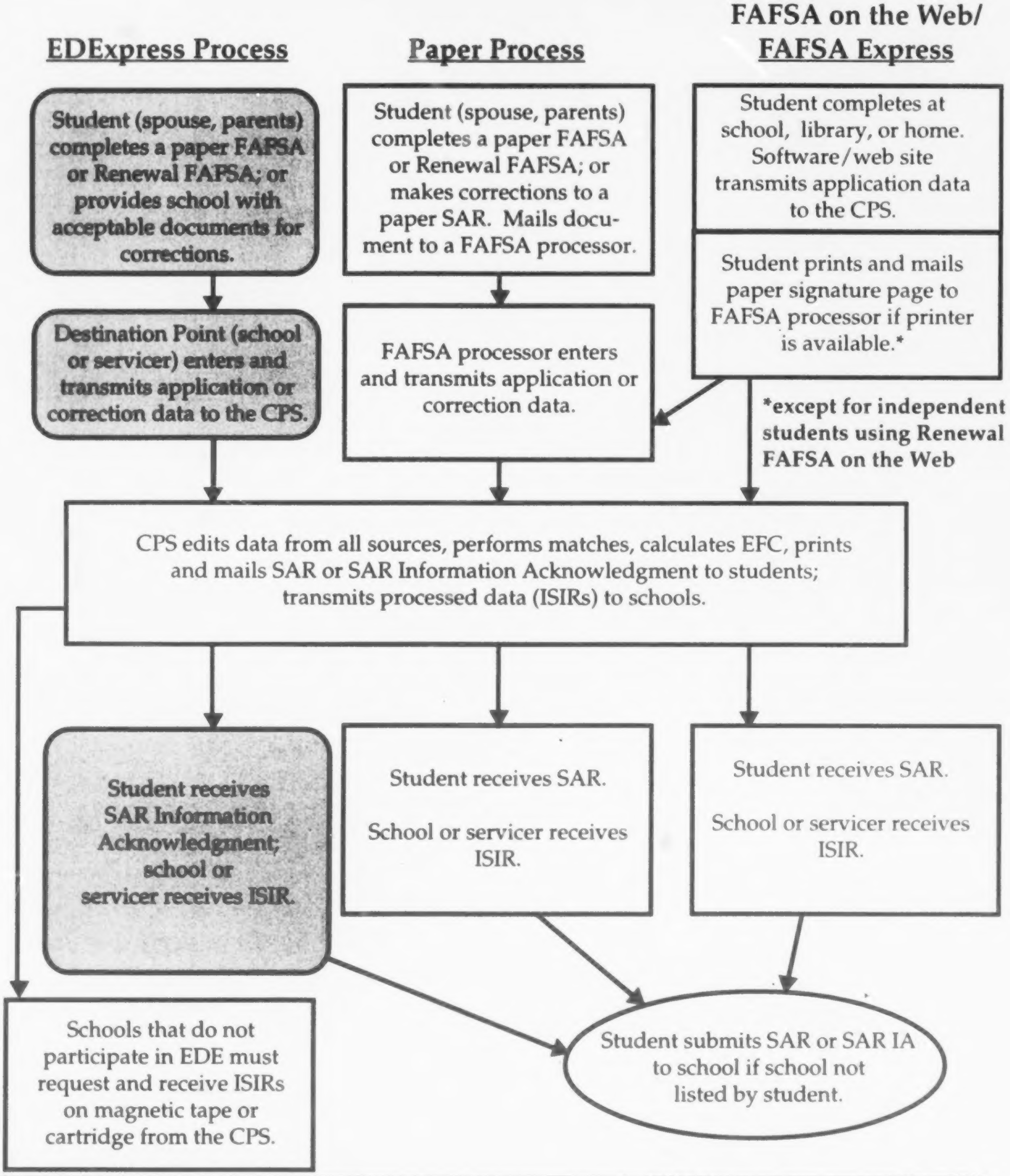
To order software: 1-800-801-0576

To download from the Internet: http://www.ed.gov/offices/ope

FAFSA on the Web: (Macintosh and PC users)

Internet site: http://www.fafsa.ed.gov

The 1998-99 Federal Application Processing System


EDExpress Process
Paper Process
FAFSA on the Web/ FAFSA Express
Student (spouse, parents) completes a paper FAFSA or Renewal FAFSA; or provides school with acceptable documents for corrections.
Destination Point (school or servicer) enters and transmits application or correction data to the CPS.
Student (spouse, parents) completes a paper FAFSA or Renewal FAFSA; or makes corrections to a paper SAR. Mails document to a FAFSA processor.
FAFSA processor enters and transmits application or correction data.
Student completes at school, library, or home. Software/web site transmits application data to the CPS.
Student prints and mails paper signature page to FAFSA processor if printer is available.*
*except for independent students using Renewal FAFSA on the Web
CPS edits data from all sources, performs matches, calculates EFC, prints and mails SAR or SAR Information Acknowledgment to students; transmits processed data (ISIRs) to schools.
Student receives SAR Information Acknowledgment; school or servicer receives ISIR.
Student receives SAR. School or servicer receives ISIR.
Student receives SAR. School or servicer receives ISIR.
Schools that do not participate in EDE must request and receive ISIRs on magnetic tape or cartridge from the CPS.
Student submits SAR or SAR IA to school if school not listed by student.

PRACTICE

Review Quiz — Types of FAFSAs (True or False)

Directions: Place a "T" or "F" after each statement.

1. The CPS always produces a Student Aid Report (SAR), regardless of the type of FAFSA the student completes. _____
2. Students applying through EDExpress usually do not have to fill out a paper FAFSA. _____
3. FAFSA Express can only be completed using a PC. Macintosh users cannot apply through FAFSA Express. _____
4. Students using FAFSA on the Web should print out and sign a signature page. _____
5. Students using FAFSA Express also can complete a Renewal FAFSA using that program. _____
6. Schools not listed on a student's application can still access that student's ISIR without a student knowing about it. _____
7. Data from a student's application for federal financial aid are screened for eligibility criteria, such as citizenship, legal residence, and a valid Social Security number. _____
8. A student cannot receive any federal financial aid without completing a FAFSA on paper, through EDExpress, using FAFSA Express, or using FAFSA on the Web. _____
9. Independent students do not need to print and sign a signature page when using FAFSA on the Web. _____

BACK AT THE OFFICE

Back at the office, you should:

- Find out if your school processes applications using EDExpress.
- Find out if your school has computers set up for students to use to apply through FAFSA Express and/or FAFSA on the Web.
- Practice using FAFSA Express and FAFSA on the Web.
- ______________________________
- ______________________________
- ______________________________

ANSWER KEY

Review Quiz — Types of FAFSAs (True or False)

Directions: Place a "T" or "F" after each statement.

1. The CPS always produces a Student Aid Report (SAR), regardless of the type of FAFSA the student completes. **F**
2. Students applying through EDExpress usually do not have to fill out a paper FAFSA. **F**
3. FAFSA Express can only be completed using a PC. Macintosh users cannot apply through FAFSA Express. **T**
4. Students using FAFSA on the Web must should print out and sign a signature page. **T**
5. Students using FAFSA Express also can complete a Renewal FAFSA using that program. **F**
6. Schools not listed on a student's application can still access that student's ISIR without a student knowing about it. **F**
7. Data from a student's application for federal financial aid are screened for eligibility criteria, such as citizenship, legal residence, and a valid Social Security number. **T**
8. A student cannot receive any federal financial aid without completing a FAFSA on paper, through EDExpress, using FAFSA Express, or using FAFSA on the Web. **T**
9. Independent students do not need to print and sign a signature page when using FAFSA on the Web. **T**

Session 14 - Federal Output Documents

By the end of this session, you will be able to:

- ***correct a Student Aid Report (SAR) and***
- ***recognize a SAR Information Acknowledgment and an Institutional Student Information Record (ISIR).***

RESOURCES

- *A Guide to 1998-99 SARs and ISIRs*
- *1997-98 Action Letter #4 [GEN-96-20]* — Application For Certification to Participate in EDE
- *1998-99 Action Letter #3 (GEN-97-13)* — Application Processing System

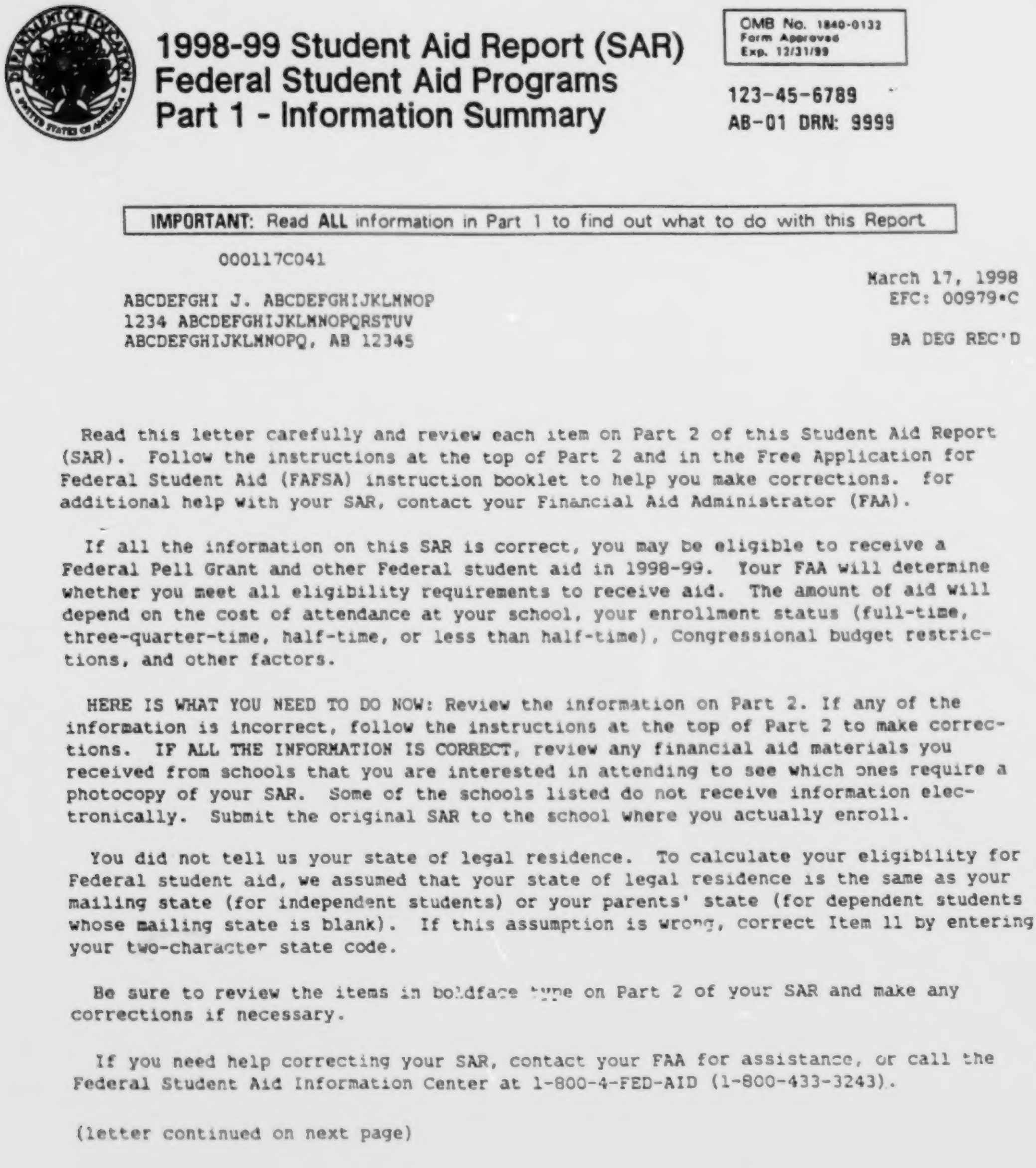
SESSION CONTENTS

1. Need to Know
    - ♦ Chart — Review of the Application Process
    - ♦ Sample 1998-99 SAR, SAR IA, and ISIR
2. Practice
    - ♦ Review Quiz —The SAR
3. Back at the Office
4. Answer Key

NEED TO KNOW

Review of the Application Process

Paper FAFSA	FAFSA on the Web/ FAFSA Express	EDExpress
How is it completed and submitted?		
The student: • completes the paper FAFSA and • mails it in for processing	The student: • completes the application on a computer; • sends it to the CPS on-line; and • prints, signs, and mails signature page (unless independent student using Renewal FAFSA on the Web)	The student: • completes the paper FAFSA. The school official: • enters the data electronically; • sends them to the CPS on-line; and • maintains the paper FAFSA
How long does processing take?		
2 weeks	**72 hours**	**72 hours**
How are changes to output documents made?		
The student: • writes corrections on Part 2 of SAR and mails it in for processing, or • takes corrections to the school for eletronic entry	The student: • writes corrections on Part 2 of and mails it in for processing, or • takes corrections to the school for electronic processing	The student: • takes corrections to the school for electronic entry or • requests Part 2 of the paper SAR



1998-99 Student Aid Report (SAR)
Federal Student Aid Programs
Part 1 - Information Summary

OMB No. 1840-0132
Form Approved
Exp. 12/31/99

123-45-6789
AB-01 DRN: 9999

IMPORTANT: Read **ALL** information in Part 1 to find out what to do with this Report

000117C041

March 17, 1998
EFC: 00979•C

ABCDEFGHI J. ABCDEFGHIJKLMNOP
1234 ABCDEFGHIJKLMNOPQRSTUV
ABCDEFGHIJKLMNOPQ, AB 12345

BA DEG REC'D

Read this letter carefully and review each item on Part 2 of this Student Aid Report (SAR). Follow the instructions at the top of Part 2 and in the Free Application for Federal Student Aid (FAFSA) instruction booklet to help you make corrections. for additional help with your SAR, contact your Financial Aid Administrator (FAA).

If all the information on this SAR is correct, you may be eligible to receive a Federal Pell Grant and other Federal student aid in 1998-99. Your FAA will determine whether you meet all eligibility requirements to receive aid. The amount of aid will depend on the cost of attendance at your school, your enrollment status (full-time, three-quarter-time, half-time, or less than half-time), Congressional budget restrictions, and other factors.

HERE IS WHAT YOU NEED TO DO NOW: Review the information on Part 2. If any of the information is incorrect, follow the instructions at the top of Part 2 to make corrections. IF ALL THE INFORMATION IS CORRECT, review any financial aid materials you received from schools that you are interested in attending to see which ones require a photocopy of your SAR. Some of the schools listed do not receive information electronically. Submit the original SAR to the school where you actually enroll.

You did not tell us your state of legal residence. To calculate your eligibility for Federal student aid, we assumed that your state of legal residence is the same as your mailing state (for independent students) or your parents' state (for dependent students whose mailing state is blank). If this assumption is wrong, correct Item 11 by entering your two-character state code.

Be sure to review the items in boldface type on Part 2 of your SAR and make any corrections if necessary.

If you need help correcting your SAR, contact your FAA for assistance, or call the Federal Student Aid Information Center at 1-800-4-FED-AID (1-800-433-3243).

(letter continued on next page)

BEST COPY AVAILABLE

1998-99 Student Aid Report (SAR)
Federal Student Aid Programs
Part 1 - Information Summary

OMB No. 1840-0132
Form Approved
Exp. 12/31/99

123-45-6789
AB-01 DRN: 9999

IMPORTANT: Read **ALL** information in Part 1 to find out what to do with this Report.

(letter continued)

Records indicate that you received Federal student aid in a prior school year, but may not have registered with Selective Service as required. Your Selective Service registration status must be confirmed before you can receive any additional aid. If you are already registered, are exempt from registration, or are not required to register, contact Selective Service at 847-688-6888. Otherwise, if you have not yet reached age 26, you should register at your local post office.

FAA INFORMATION

This information will be used by your Financial Aid Administrator to determine your eligibility for student aid.

Agency Source: x
MDE Record Type: x
Record Type: x
Verification Type: xx
Verification Flag: xx
Pell Digit: x

Model: x
Duplicate Copy: x
SysGen: x
Dependency Override: x
Special Handling: x
Reprocessing Code: 99

FAA Adjustment Flag: x
Reject Reasons: 01 02 03 04 05 06 07
Application Receipt Date: mm/dd/ccyy
Transaction Receipt Date: mm/dd/ccyy
Subsequent Application Flag: x
Early Analysis Flag: x

MONTHS:	1	2	3	4	5	6	7	8	9	10	11	12
PRIMARY EFC:	00000	00000	00000	00000	00000	00000	00000	00000	00000	00000	00000	00000
SECONDARY EFC:	00000	00000	00000	00000	00000	00000	00000	00000	00000	00000	00000	00000

INTERMEDIATE COMPUTE VALUES:

TI: 999999999
IPA: 999999999
APA: 999999999
TSC: 999999999

ATI: 999999999
AI: 999999999
PCA: 999999999
PC: 999999999

STX: 999999999
CAI: 999999999
AAI: 999999999
SIC: 999999999

EA: 999999999
DNW: 999999999
TPC: 999999999
SCA: 999999999

STI: 999999999
FTI: 999999999

Auto Zero EFC Flag: X
SNT Flag: X
Pell Eligible Flag: X

MATCH FLAGS:

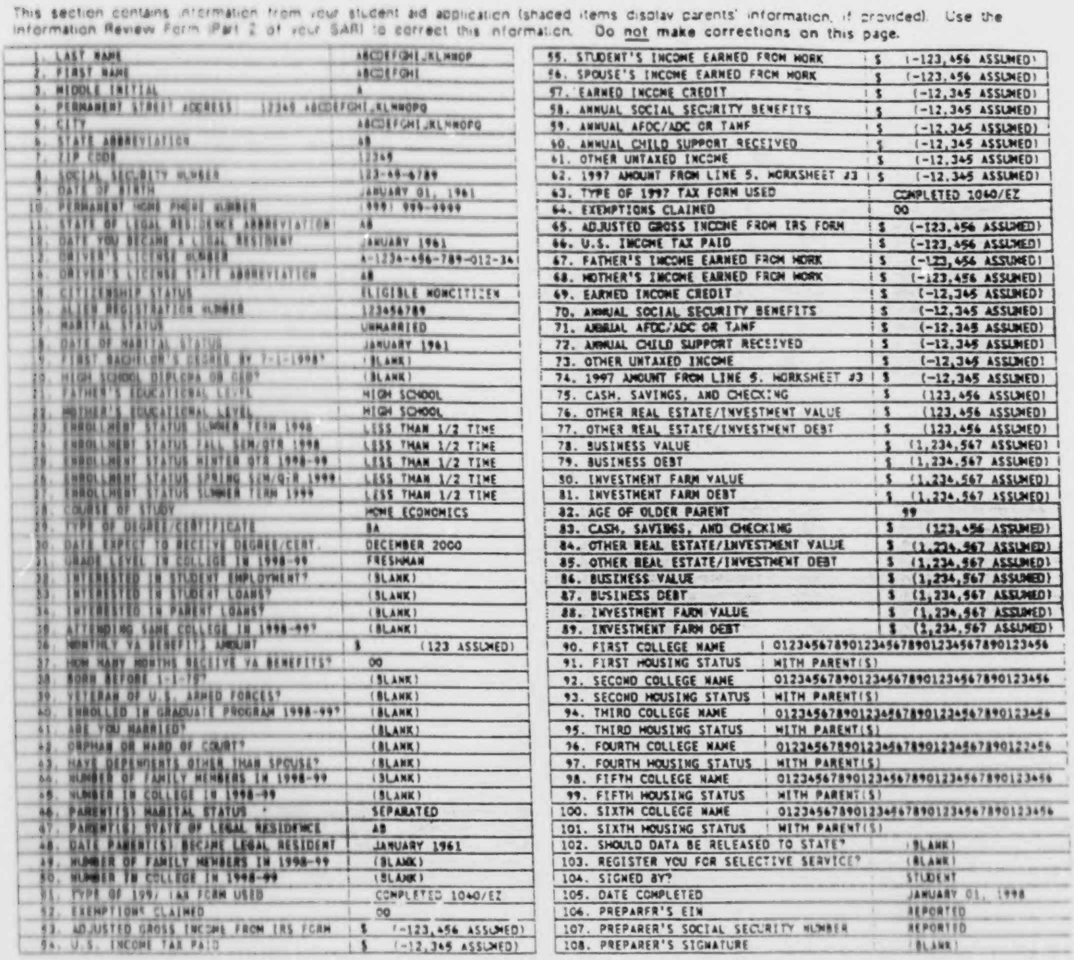
SSN Match Flag: X
INS Match Flag: X
NSLDS Match Flag: X

Selective Service Registration Flag: X
INS Verification #: 9999999999999
NSLDS Results Flag: X

Selective Service Match: X
SSA Citizenship Code: X
NSLDS Transaction Number: 01

COMMENTS: 001 002 003 004 005 006 007 008 009 010 011 012 013 014 015 016 017 018 019 020

NEED TO KNOW (cont'd)



This section contains information from your student aid application (shaded items display parents' information, if provided). Use the Information Review Form (Part 2 of your SAR) to correct this information. Do not make corrections on this page.

1. LAST NAME	ABCDEFGHIJKLMNOP
2. FIRST NAME	ABCDEFGHI
3. MIDDLE INITIAL	A
4. PERMANENT STREET ADDRESS	12345 ABCDEFGHIJKLMNOPQ
5. CITY	ABCDEFGHIJKLMNOPQ
6. STATE ABBREVIATION	AB
7. ZIP CODE	12345
8. SOCIAL SECURITY NUMBER	123-45-6789
9. DATE OF BIRTH	JANUARY 01, 1961
10. PERMANENT HOME PHONE NUMBER	(999) 999-9999
11. STATE OF LEGAL RESIDENCE ABBREVIATION	AB
12. DATE YOU BECAME A LEGAL RESIDENT	JANUARY 1961
13. DRIVER'S LICENSE NUMBER	A-1234-456-789-012-34
14. DRIVER'S LICENSE STATE ABBREVIATION	AB
15. CITIZENSHIP STATUS	ELIGIBLE NONCITIZEN
16. ALIEN REGISTRATION NUMBER	123456789
17. MARITAL STATUS	UNMARRIED
18. DATE OF MARITAL STATUS	JANUARY 1961
19. FIRST BACHELOR'S DEGREE BY 7-1-1998?	(BLANK)
20. HIGH SCHOOL DIPLOMA OR GED?	(BLANK)
21. FATHER'S EDUCATIONAL LEVEL	HIGH SCHOOL
22. MOTHER'S EDUCATIONAL LEVEL	HIGH SCHOOL
23. ENROLLMENT STATUS SUMMER TERM 1998	LESS THAN 1/2 TIME
24. ENROLLMENT STATUS FALL SEM/QTR 1998	LESS THAN 1/2 TIME
25. ENROLLMENT STATUS WINTER QTR 1998-99	LESS THAN 1/2 TIME
26. ENROLLMENT STATUS SPRING SEM/QTR 1999	LESS THAN 1/2 TIME
27. ENROLLMENT STATUS SUMMER TERM 1999	LESS THAN 1/2 TIME
28. COURSE OF STUDY	HOME ECONOMICS
29. TYPE OF DEGREE/CERTIFICATE	BA
30. DATE EXPECT TO RECEIVE DEGREE/CERT.	DECEMBER 2000
31. GRADE LEVEL IN COLLEGE IN 1998-99	FRESHMAN
32. INTERESTED IN STUDENT EMPLOYMENT?	(BLANK)
33. INTERESTED IN STUDENT LOANS?	(BLANK)
34. INTERESTED IN PARENT LOANS?	(BLANK)
35. ATTENDING SAME COLLEGE IN 1998-99?	(BLANK)
36. MONTHLY VA BENEFITS AMOUNT	$ (123 ASSUMED)
37. HOW MANY MONTHS RECEIVE VA BENEFITS?	00
38. BORN BEFORE 1-1-75?	(BLANK)
39. VETERAN OF U.S. ARMED FORCES?	(BLANK)
40. ENROLLED IN GRADUATE PROGRAM 1998-99?	(BLANK)
41. ARE YOU MARRIED?	(BLANK)
42. ORPHAN OR WARD OF COURT?	(BLANK)
43. HAVE DEPENDENTS OTHER THAN SPOUSE?	(BLANK)
44. NUMBER OF FAMILY MEMBERS IN 1998-99	(BLANK)
45. NUMBER IN COLLEGE IN 1998-99	(BLANK)
46. PARENT(S) MARITAL STATUS	SEPARATED
47. PARENT(S) STATE OF LEGAL RESIDENCE	AB
48. DATE PARENT(S) BECAME LEGAL RESIDENT	JANUARY 1961
49. NUMBER OF FAMILY MEMBERS IN 1998-99	(BLANK)
50. NUMBER IN COLLEGE IN 1998-99	(BLANK)
51. TYPE OF 1997 TAX FORM USED	COMPLETED 1040/EZ
52. EXEMPTIONS CLAIMED	00
53. ADJUSTED GROSS INCOME FROM IRS FORM	$ (-123,456 ASSUMED)
54. U.S. INCOME TAX PAID	$ (-12,345 ASSUMED)

55. STUDENT'S INCOME EARNED FROM WORK	$	(-123,456 ASSUMED)
56. SPOUSE'S INCOME EARNED FROM WORK	$	(-123,456 ASSUMED)
57. EARNED INCOME CREDIT	$	(-12,345 ASSUMED)
58. ANNUAL SOCIAL SECURITY BENEFITS	$	(-12,345 ASSUMED)
59. ANNUAL AFDC/ADC OR TANF	$	(-12,345 ASSUMED)
60. ANNUAL CHILD SUPPORT RECEIVED	$	(-12,345 ASSUMED)
61. OTHER UNTAXED INCOME	$	(-12,345 ASSUMED)
62. 1997 AMOUNT FROM LINE 5, WORKSHEET #3	$	(-12,345 ASSUMED)
63. TYPE OF 1997 TAX FORM USED		COMPLETED 1040/EZ
64. EXEMPTIONS CLAIMED		00
65. ADJUSTED GROSS INCOME FROM IRS FORM	$	(-123,456 ASSUMED)
66. U.S. INCOME TAX PAID	$	(-123,456 ASSUMED)
67. FATHER'S INCOME EARNED FROM WORK	$	(-123,456 ASSUMED)
68. MOTHER'S INCOME EARNED FROM WORK	$	(-123,456 ASSUMED)
69. EARNED INCOME CREDIT	$	(-12,345 ASSUMED)
70. ANNUAL SOCIAL SECURITY BENEFITS	$	(-12,345 ASSUMED)
71. ANNUAL AFDC/ADC OR TANF	$	(-12,345 ASSUMED)
72. ANNUAL CHILD SUPPORT RECEIVED	$	(-12,345 ASSUMED)
73. OTHER UNTAXED INCOME	$	(-12,345 ASSUMED)
74. 1997 AMOUNT FROM LINE 5, WORKSHEET #3	$	(-12,345 ASSUMED)
75. CASH, SAVINGS, AND CHECKING	$	(123,456 ASSUMED)
76. OTHER REAL ESTATE/INVESTMENT VALUE	$	(123,456 ASSUMED)
77. OTHER REAL ESTATE/INVESTMENT DEBT	$	(123,456 ASSUMED)
78. BUSINESS VALUE	$	(1,234,567 ASSUMED)
79. BUSINESS DEBT	$	(1,234,567 ASSUMED)
80. INVESTMENT FARM VALUE	$	(1,234,567 ASSUMED)
81. INVESTMENT FARM DEBT	$	(1,234,567 ASSUMED)
82. AGE OF OLDER PARENT		99
83. CASH, SAVINGS, AND CHECKING	$	(123,456 ASSUMED)
84. OTHER REAL ESTATE/INVESTMENT VALUE	$	(1,234,567 ASSUMED)
85. OTHER REAL ESTATE/INVESTMENT DEBT	$	(1,234,567 ASSUMED)
86. BUSINESS VALUE	$	(1,234,567 ASSUMED)
87. BUSINESS DEBT	$	(1,234,567 ASSUMED)
88. INVESTMENT FARM VALUE	$	(1,234,567 ASSUMED)
89. INVESTMENT FARM DEBT	$	(1,234,567 ASSUMED)
90. FIRST COLLEGE NAME		0123456789012345678901234567890123456
91. FIRST HOUSING STATUS		WITH PARENT(S)
92. SECOND COLLEGE NAME		0123456789012345678901234567890123456
93. SECOND HOUSING STATUS		WITH PARENT(S)
94. THIRD COLLEGE NAME		0123456789012345678901234567890123456
95. THIRD HOUSING STATUS		WITH PARENT(S)
96. FOURTH COLLEGE NAME		0123456789012345678901234567890123456
97. FOURTH HOUSING STATUS		WITH PARENT(S)
98. FIFTH COLLEGE NAME		0123456789012345678901234567890123456
99. FIFTH HOUSING STATUS		WITH PARENT(S)
100. SIXTH COLLEGE NAME		0123456789012345678901234567890123456
101. SIXTH HOUSING STATUS		WITH PARENT(S)
102. SHOULD DATA BE RELEASED TO STATE?		(BLANK)
103. REGISTER YOU FOR SELECTIVE SERVICE?		(BLANK)
104. SIGNED BY?		STUDENT
105. DATE COMPLETED		JANUARY 01, 1998
106. PREPARER'S EIN		REPORTED
107. PREPARER'S SOCIAL SECURITY NUMBER		REPORTED
108. PREPARER'S SIGNATURE		(BLANK)

BEST COPY AVAILABLE

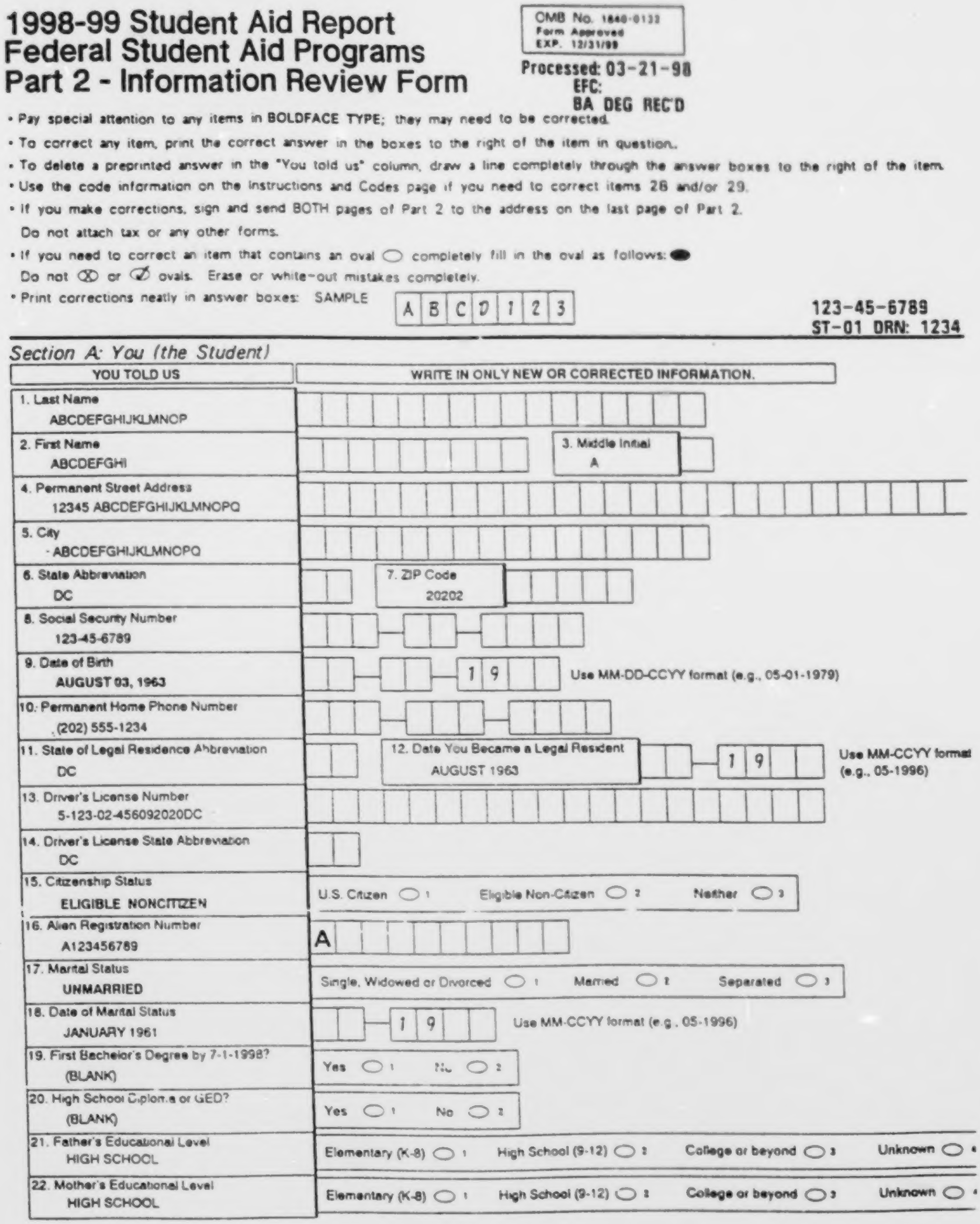
HAROLD GRANTHAM
555-99-0010

1998-99 Student Aid Report (SAR) FINANCIAL AID HISTORY

Processed: 03-17-98

This page contains your previous financial aid information, which is contained in the National Student Loan Data System (NSLDS). Your Financial Aid Administrator will use it to determine your eligibility.

```
#Overpayment:   Contact:       #Defaulted Loans:Y  #Discharged:N  #Loan Sat. Repayment:Y  #Active Bankruptcy:
 Pell:     Y    05
 FSEOG:    Y    Access NSLDS
 Perkins:  Y    12345678
________________________________________________________________________________________________________
#Aggregate Amount for FFELP/Direct Loans:
 Subsidized Loans:   Outstanding Principal Bal.: $123,456  Pending Disbursements: $123,456  Total: $123,45
 Unsubsidized Loans: Outstanding Principal Bal.: $123,456  Pending Disbursements: $123,456  Total: $123,45
 Consolidated Loans: Outstanding Principal Bal.: $123,456                                   Total: $123,45

#Perkins Loans:
 Cumulative Loan Amount  $123,456              Current Year Loan Amount  $123,456
 First Disbursement Prior to 10/1/92: Y        Expanded Lending Option: Y
________________________________________________________________________________________________________
#1998-99 Pell Payment Data:
 Sch.Code:76543210  Tran:01  Sch.Amt:$2470  Disb.Amt:$1270  Rem.Amt:$   0  %Sch.Used:100.00  As of: 01/15/99
 Sch.Code:12345678  Tran:01  Sch.Amt:$2470  Disb.Amt:$1200  Rem.Amt:$   0  %Sch.Used:100.00  As of: 07/15/98
                          Access NSLDS for additional Pell data.
________________________________________________________________________________________________________
Loan Detail:                              Loan    Loan Begin  Loan End   GA   School     Contact   Contr
                                         Amount     Date        Date    Code   Code                Type

#FFEL Stafford Unsubsidized             $    888   01/01/97    05/01/97   719  00132100       719    GA
  Status Code  DA as of 01/05/97
  Outstanding Bal. $    800 as of 02/02/97

#FFEL Stafford Subsidized               $ 10,000   01/01/96    01/01/97   736  00132600       736    GA
  Status Code  FB as of 08/01/96
  Outstanding Bal. $  5,200 as of 02/07/96

#Direct Stafford Subsidized             $  1,400   01/01/96    01/01/97   N/A  00132700    SVO101    DL:
  Status Code  ID as of 09/06/96
  Outstanding Bal. $    813 as of 02/03/96

#Direct Consolidated Subsidized         $ 15,000   08/01/95    05/10/96   N/A  00132100    SVO101    DL:
  Status Code  DL as of 12/06/96
  Outstanding Bal. $ 12,000 as of 01/01/97

#Supplemental Loan (SLS)                $    961   01/01/95    04/01/95   701  00132600       N/A    N/.
  Status Code  DX as of 05/01/96
  Outstanding Bal. $    500 as of 02/02/97

#Perkins Expanded Lending Option        $  7,000   09/02/94    06/02/95   N/A  00132100  00132100    SC:
  Status Code  DU as of 06/05/96
  Outstanding Bal. $  4,400 as of 01/01/96

#FFEL Stafford Unsubsidized             $    916   09/01/94    12/01/94   734  00132100    830906    LE!
  Status Code  ID as of 09/01/94
  Outstanding Bal. $    588 as of 09/02/96

#Federal Perkins                        $  1,043   09/01/93    01/01/94   N/A  00132300  00132300    SC
  Status Code  DL as of 01/01/96
  Outstanding Bal. $    109 as of 02/01/96

#FFEL Stafford Subsidized               $    800   01/04/93    12/01/93   620  00132800       620    GA
  Status Code  RP as of 02/01/95
  Outstanding Bal. $    700 as of 02/01/95

#Federal Perkins                        $  1,000   01/01/88    05/26/88   N/A  00132500  00132500    SC
  Status Code  DB as of 09/01/95
  Outstanding Bal. $    300 as of 02/01/96

#FFEL Stafford Non-Subsidized           $ 10,000        N/A         N/A   555  00132900        05    ED
  Status Code  DT as of 09/01/96
  Outstanding Bal. $  9,500 as of 02/01/96

#FFEL Stafford Unsubsidized             $  1,500        N/A         N/A   555  00132700        04    ED
  Status Code  DB as of 05/01/97
  Outstanding Bal. $  4,570 as of 02/02/96
                          Access NSLDS for additional loan records.
```



1998-99 Student Aid Report
Federal Student Aid Programs
Part 2 - Information Review Form

OMB No. 1840-0132
Form Approved
EXP. 12/31/99

Processed: 03-21-98
EFC:
BA DEG REC'D

- Pay special attention to any items in BOLDFACE TYPE; they may need to be corrected.
- To correct any item, print the correct answer in the boxes to the right of the item in question.
- To delete a preprinted answer in the "You told us" column, draw a line completely through the answer boxes to the right of the item.
- Use the code information on the Instructions and Codes page if you need to correct items 28 and/or 29.
- If you make corrections, sign and send BOTH pages of Part 2 to the address on the last page of Part 2. Do not attach tax or any other forms.
- If you need to correct an item that contains an oval ○ completely fill in the oval as follows: ● Do not ⊗ or ⊘ ovals. Erase or white-out mistakes completely.
- Print corrections neatly in answer boxes: SAMPLE A B C D 1 2 3

123-45-6789
ST-01 DRN: 1234

Section A: You (the Student)

YOU TOLD US	WRITE IN ONLY NEW OR CORRECTED INFORMATION.
1. Last Name ABCDEFGHIJKLMNOP	
2. First Name ABCDEFGHI	3. Middle Initial A
4. Permanent Street Address 12345 ABCDEFGHIJKLMNOPQ	
5. City ABCDEFGHIJKLMNOPQ	
6. State Abbreviation DC	7. ZIP Code 20202
8. Social Security Number 123-45-6789	– –
9. Date of Birth **AUGUST 03, 1963**	– – 1 9 Use MM-DD-CCYY format (e.g., 05-01-1979)
10. Permanent Home Phone Number (202) 555-1234	– –
11. State of Legal Residence Abbreviation DC	12. Date You Became a Legal Resident AUGUST 1963 – 1 9 Use MM-CCYY format (e.g., 05-1996)
13. Driver's License Number 5-123-02-456092020DC	
14. Driver's License State Abbreviation DC	
15. Citizenship Status **ELIGIBLE NONCITIZEN**	U.S. Citizen ○ 1 Eligible Non-Citizen ○ 2 Neither ○ 3
16. Alien Registration Number **A123456789**	A
17. Marital Status **UNMARRIED**	Single, Widowed or Divorced ○ 1 Married ○ 2 Separated ○ 3
18. Date of Marital Status JANUARY 1961	– 1 9 Use MM-CCYY format (e.g., 05-1996)
19. First Bachelor's Degree by 7-1-1998? (BLANK)	Yes ○ 1 No ○ 2
20. High School Diploma or GED? (BLANK)	Yes ○ 1 No ○ 2
21. Father's Educational Level HIGH SCHOOL	Elementary (K-8) ○ 1 High School (9-12) ○ 2 College or beyond ○ 3 Unknown ○ 4
22. Mother's Educational Level HIGH SCHOOL	Elementary (K-8) ○ 1 High School (9-12) ○ 2 College or beyond ○ 3 Unknown ○ 4

Section B: Your Plans

YOU TOLD US	WRITE IN ONLY NEW OR CORRECTED INFORMATION.
23. Enrollment Status Summer Term 1998 LESS THAN 1/2 TIME	Full time ○ 1 3/4 time ○ 2 1/2 time ○ 3 Less than 1/2 time ○ 4 Not enrolled ○ 5
24. Enrollment Status Fall Sem./Qtr. 1998 FULL TIME	Full time ○ 1 3/4 time ○ 2 1/2 time ○ 3 Less than 1/2 time ○ 4 Not enrolled ○ 5
25. Enrollment Status Winter Qtr. 1998-99 NOT ENROLLED	Full time ○ 1 3/4 time ○ 2 1/2 time ○ 3 Less than 1/2 time ○ 4 Not enrolled ○ 5
26. Enrollment Status Spring Sem./Qtr. 1999 3/4 TIME	Full time ○ 1 3/4 time ○ 2 1/2 time ○ 3 Less than 1/2 time ○ 4 Not enrolled ○ 5
27. Enrollment Status Summer Term 1999 1/2 TIME	Full time ○ 1 3/4 time ○ 2 1/2 time ○ 3 Less than 1/2 time ○ 4 Not enrolled ○ 5
28. Course of Study FINE/PERFORMING ARTS	☐☐ Enter Code from Instructions
29. Type of Degree/Certificate CERT/DIPLOMA 2 YR	☐ Enter Code from Instructions
30. Date Expect to Receive Degree/Cert. MAY 1999	☐☐–☐☐☐☐ Use MM-CCYY format (e.g., 05-1999)
31. Grade Level in College in 1998-99 1ST PREVIOUSLY ATTENDED	1st Never Attended ○ 1 3rd/Junior ○ 4 1st Yr. Graduate ○ 7 Beyond 3rd Yr. Graduate ○ 10 1st Previously Attended ○ 2 4th/Senior ○ 5 2nd Yr. Graduate ○ 8 2nd/Sophomore ○ 3 5th or More ○ 6 3rd Yr. Graduate ○ 9
32. Interested in Student Employment? (BLANK)	Yes ○ 1 No ○ 2
33. Interested in Student Loans? (BLANK)	Yes ○ 1 No ○ 2
34. Interested in Parent Loans? (BLANK)	Yes ○ 1 No ○ 2
35. Attending Same College in 1998-99? (BLANK)	Yes ○ 1 No ○ 2

36. Monthly VA Benefits Amount $ (BLANK)	$ ☐☐☐ .00
37. How Many Months Receive VA Benefits? (BLANK)	☐☐

Section C: Student Status

38. Born Before 1-1-1975? (BLANK)	Yes ○ 1 No ○ 2	41. Are You Married? (BLANK)	Yes ○ 1 No ○ 2
39. Veteran of U.S. Armed Forces? (BLANK)	Yes ○ 1 No ○ 2	42. Orphan or Ward of Court? (BLANK)	Yes ○ 1 No ○ 2
40. Enrolled in Graduate Program in 1998-99? (BLANK)	Yes ○ 1 No ○ 2	43. Have Dependents Other Than Spouse? (BLANK)	Yes ○ 1 No ○ 2

Section D: Household Information

STUDENT (and Spouse)

44. Number of Family Members in 1998-99 99	☐☐
45. Number in College in 1998-99 1	☐

PARENT(S)

46. Parent(s) Marital Status SEPARATED	Single ○ 1 Married ○ 2 Separated ○ 3 Divorced ○ 4 Widowed ○ 5
47. Parent(s) State of Legal Residence DC	☐☐
48. Date Parent(s) Became Legal Resident FEBRUARY 1957	☐☐–1 9 ☐☐ Use MM-CCYY format (e.g., 05-1979)
49. Parent(s) Number of Family Members in 1998-99 99	☐☐
50. Number of Parent(s) Family Members in College in 1998-99 1	☐

Part 2 (of your Information Review Form) is continued on the following page. Please refer t the instructions on the front of Part 2 when reviewing the rest of your information. If you make corrections, be sure to send BOTH pages of Part 2 to the address next to the Certification statement at the end of Part 2.

PAGE N OF N 2V 123-45-6789 ST 01

Section E: 1997 Income, Earnings and Benefits

Codes for Types of 1997 Tax Form Used (Items 51 and 63):
A - completed 1997 1040A, 1040EZ, or 1040TEL
B - completed 1997 1040
C - estimated 1997 1040A, 1040EZ, or 1040TEL
D - estimated 1997 1040
E - will not file 1997 U.S. Income Tax Return

STUDENT (and Spouse)

51. Type of 1997 Tax Form Used COMPLETED 1997 1040A/EZ/TEL	A ○ 1 D ○ 4 B ○ 2 E ○ 5 C ○ 3
52. Exemptions Claimed 01	☐☐
53. Adjusted Gross Income From IRS Form $ -123,456	$ .00
54. U.S. Income Tax Paid $ -123,456	$ .00
55. Student's Income Earned From Work $ -123,456	$ .00
56. Spouse's Income Earned From Work $ -123,456	$ .00
57. Earned Income Credit $ -12,345	$ .00
58. Annual Social Security Benefits $ -12,345	$ .00
59. Annual AFDC/ADC or TANF $ -12,345	$ .00
60. Annual Child Support Received $ -12,345	$ .00
61. Other Untaxed Income $ -12,345	$ .00
62. 1997 Amount From Line 5, Worksheet #3 $ -12,345	$ .00

PARENT(S)

63. Type of 1997 Tax Form Used COMPLETED 1997 1040A/EZ/TEL	A ○ 1 D ○ 4 B ○ 2 E ○ 5 C ○ 3
64. Exemptions Claimed 04	☐☐
65. Adjusted Gross Income From IRS Form $ -123,456	$ .0
66. U.S. Income Tax Paid $ -123,456	$ .00
67. Father's Income Earned From Work $ -123,456	$ .00
68. Mother's Income Earned From Work $ -123,456	$ .0
69. Earned Income Credit $ -12,345	$ .00
70. Annual Social Security Benefits $ -12,345	$ .00
71. Annual AFDC/ADC or TANF $ -12,345	$ .00
72. Annual Child Support Received $ -12,345	$ .00
73. Other Untaxed Income $ -12,345	$ .00
74. 1997 Amount From Line 5, Worksheet #3 $ -12,345	$ .00

Section F: Asset Information

STUDENT (and Spouse)

75. Cash, Savings, and Checking $ -123,456	$ .00
76. Other Real Estate/Investment Value $ -123,456	$ .00
77. Other Real Estate/Investment Debt $ -123,456	$ .00
78. Business Value $ -1,234,567	$ .00
79. Business Debt $ -1,234,567	$ .00
80. Investment Farm Value $ -1,234,567	$ .00
81. Investment Farm Debt $ -1,234,567	$ .00

PARENT(S)

82. Age of Older Parent 47	☐☐
83. Cash, Savings, and Checking $ -123,456	$ .00
84. Other Real Estate/Investment Value $ -1,234,567	$ .0
85. Other Real Estate/Investment Debt $ -1,234,567	$ .0
86. Business Value $ -1,234,567	$ .0
87. Business Debt $ -1,234,567	$ .0
88. Investment Farm Value $ -1,234,567	$ .0
89. Investment Farm Debt $ -1,234,567	$.

123456789012 PAGE N OF N 3V 123-45-6789 ST 0

Section G:
Releases and Signatures

Housing Codes:	1 – on-Campus 2 – off-Campus	3 – with parent(s)

	NEW/CORRECTED COLLEGE NAME, CITY, STATE, ZIP	Enter Code From Above
90. First College Name, City and State ABCDEFGHIJKLMNOPQRSTUVWXYZ ABCDEFGHIJKLMNOPQRSTUVWXYZ		91. Housing Code WITH PARENT(S)
92. Second College Name, City and State ABCDEFGHIJKLMNOPQRSTUVWXYZ ABCDEFGHIJKLMNOPQRSTUVWXYZ		93. Housing Code ON-CAMPUS
94. Third College Name, City and State ABCDEFGHIJKLMNOPQRSTUVWXYZ ABCDEFGHIJKLMNOPQRSTUVWXYZ		95. Housing Code OFF-CAMPUS
96. Fourth College Name, City and State ABCDEFGHIJKLMNOPQRSTUVWXYZ ABCDEFGHIJKLMNOPQRSTUVWXYZ		97. Housing Code (BLANK)
98. Fifth College Name, City and State ABCDEFGHIJKLMNOPQRSTUVWXYZ ABCDEFGHIJKLMNOPQRSTUVWXYZ		99. Housing Code (BLANK)
100. Sixth College Name, City and State ABCDEFGHIJKLMNOPQRSTUVWXYZ ABCDEFGHIJKLMNOPQRSTUVWXYZ		101. Housing Code (BLANK)
102. Should Data Be Released To State? (BLANK) →	Yes ○ 1 No ○ 2	
103. Register You For Selective Service? (BLANK) →	Yes ○ 1	
104. Signed By? STUDENT	DO NOT CORRECT	
105. Date Completed FEBRUARY 15, 1998	DO NOT CORRECT	
106. Preparer's EIN REPORTED	☐☐–☐☐☐☐☐☐☐	
107. Preparer's Social Security Number REPORTED	☐☐☐–☐☐–☐☐☐☐	
108. Preparer's Signature BLANK		

Application Reciept Date: 01/15/98

IF YOU MADE NO CHANGES

- Do NOT send your SAR to either address given on this page.
- Follow the instructions on Part 1 of your SAR. You may need to contact your school.

IF YOU MADE CHANGES

- Read and Sign the Certification statement to the right
- Send BOTH pages of Part 2 to:

IF YOU NEED ANOTHER COPY OF YOUR SAR

- Write to:

- Include your name, social security number, and signature.

CERTIFICATION

All of the information on this SAR is true and complete to the best of my knowledge. If I am asked, I agree to give proof that my information is correct. This proof might include a copy of the 1997 U.S. Income Tax Form filed by me or my family. I understand that if I purposely give false or misleading information on this SAR, I may be subject to a $10,000 fine, a prison sentence, or both.

Everyone whose information is given on this form should sign below. The student (and at least one parent, if parental information is given) must sign below or this form will be returned unprocessed.

1 Student Date

2 Student's Spouse Date

3 Father/Stepfather Date

4 Mother/Stepmother Date

School Use Only EFC. 01234*C SEC. EFC.1234*C

Professional Judgment

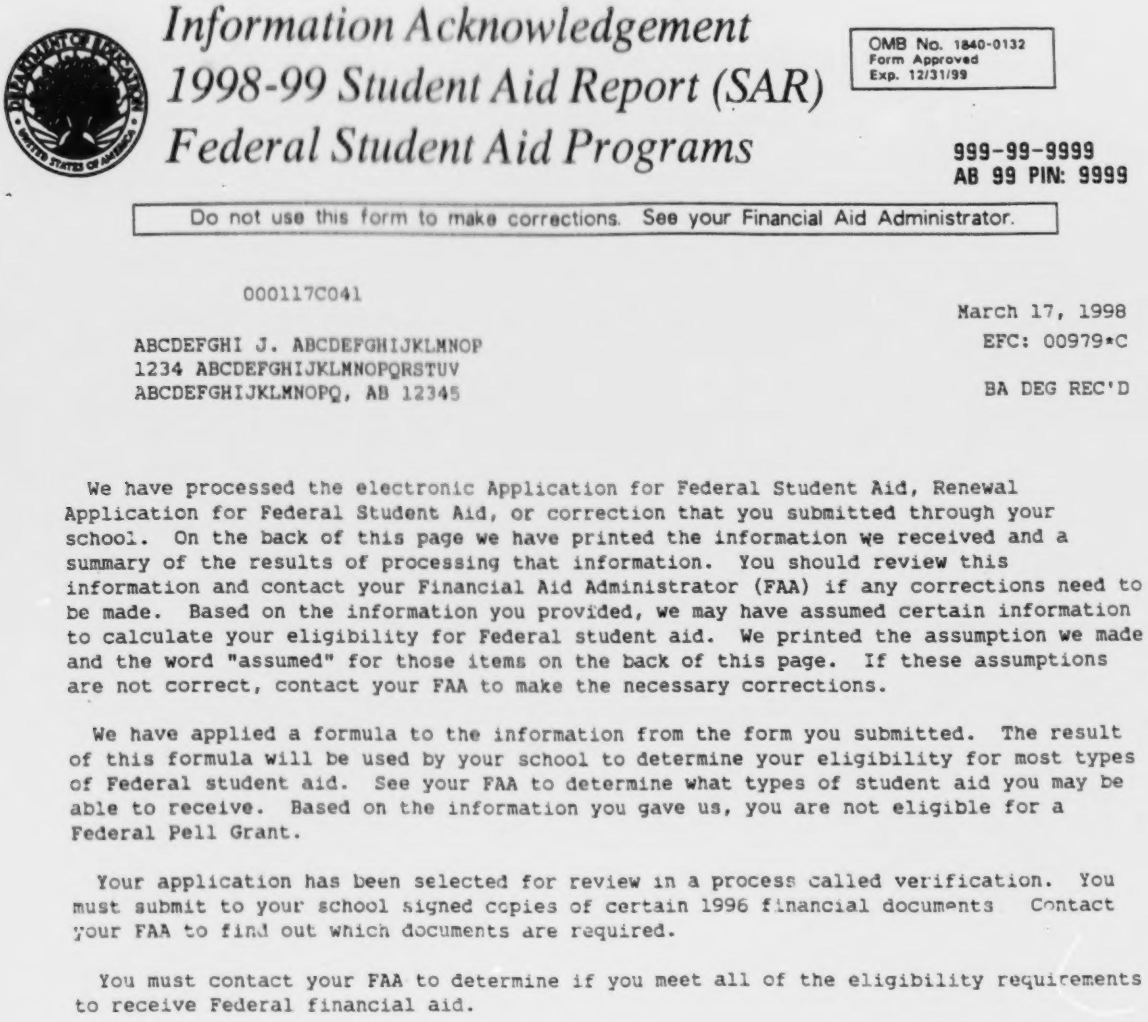
D/O 1 ○ 2 ○ FAA EFC Adjustment ○ 1

Title IV Code ☐☐☐☐☐☐

☐ FAA Signature 1

MDE Use Only

DE ☐ Special Handle ☐ ☐☐☐☐☐☐☐☐☐



DEPARTMENT OF EDUCATION
UNITED STATES OF AMERICA

Information Acknowledgement
1998-99 Student Aid Report (SAR)
Federal Student Aid Programs

OMB No. 1840-0132
Form Approved
Exp. 12/31/99

999-99-9999
AB 99 PIN: 9999

Do not use this form to make corrections. See your Financial Aid Administrator.

000117C041

March 17, 1998
EFC: 00979*C

BA DEG REC'D

ABCDEFGHI J. ABCDEFGHIJKLMNOP
1234 ABCDEFGHIJKLMNOPQRSTUV
ABCDEFGHIJKLMNOPQ, AB 12345

We have processed the electronic Application for Federal Student Aid, Renewal Application for Federal Student Aid, or correction that you submitted through your school. On the back of this page we have printed the information we received and a summary of the results of processing that information. You should review this information and contact your Financial Aid Administrator (FAA) if any corrections need to be made. Based on the information you provided, we may have assumed certain information to calculate your eligibility for Federal student aid. We printed the assumption we made and the word "assumed" for those items on the back of this page. If these assumptions are not correct, contact your FAA to make the necessary corrections.

We have applied a formula to the information from the form you submitted. The result of this formula will be used by your school to determine your eligibility for most types of Federal student aid. See your FAA to determine what types of student aid you may be able to receive. Based on the information you gave us, you are not eligible for a Federal Pell Grant.

Your application has been selected for review in a process called verification. You must submit to your school signed copies of certain 1996 financial documents. Contact your FAA to find out which documents are required.

You must contact your FAA to determine if you meet all of the eligibility requirements to receive Federal financial aid.

NEED TO KNOW (cont'd)

This section contains information from your student aid application (shaded items display parents' information, if provided). If you need to make corrections, see your financial aid administrator.

1. LAST NAME	ABCDEFGHIJKLMNOP
2. FIRST NAME	ABCDEFGHI
3. MIDDLE INITIAL	A
4. PERMANENT STREET ADDRESS	12345 ABCDEFGHIJKLMNOPQ
5. CITY	ABCDEFGHIJKLMNOPQ
6. STATE ABBREVIATION	AB
7. ZIP CODE	12345
8. SOCIAL SECURITY NUMBER	123-45-6789
9. DATE OF BIRTH	JANUARY 01, 1961
10. PERMANENT HOME PHONE NUMBER	(999) 999-9999
11. STATE OF LEGAL RESIDENCE ABBREVIATION	AB
12. DATE YOU BECAME A LEGAL RESIDENT	JANUARY 1961
13. DRIVER'S LICENSE NUMBER	A-1234-456-789-012-34
14. DRIVER'S LICENSE STATE ABBREVIATION	AB
15. CITIZENSHIP STATUS	ELIGIBLE NONCITIZEN
16. ALIEN REGISTRATION NUMBER	123456789
17. MARITAL STATUS	UNMARRIED
18. DATE OF MARITAL STATUS	JANUARY 1961
19. FIRST BACHELOR'S DEGREE BY 7-1-1998?	(BLANK)
20. HIGH SCHOOL DIPLOMA OR GED?	(BLANK)
21. FATHER'S EDUCATIONAL LEVEL	HIGH SCHOOL
22. MOTHER'S EDUCATIONAL LEVEL	HIGH SCHOOL
23. ENROLLMENT STATUS SUMMER TERM 1998	LESS THAN 1/2 TIME
24. ENROLLMENT STATUS FALL SEM/QTR 1998	LESS THAN 1/2 TIME
25. ENROLLMENT STATUS WINTER QTR 1998-99	LESS THAN 1/2 TIME
26. ENROLLMENT STATUS SPRING SEM/QTR 1999	LESS THAN 1/2 TIME
27. ENROLLMENT STATUS SUMMER TERM 1999	LESS THAN 1/2 TIME
28. COURSE OF STUDY	HOME ECONOMICS
29. TYPE OF DEGREE/CERTIFICATE	BA
30. DATE EXPECT TO RECEIVE DEGREE	DECEMBER 2000
31. GRADE LEVEL IN COLLEGE IN 1998-99	FRESHMAN
32. INTERESTED IN STUDENT EMPLOYMENT?	(BLANK)
33. INTERESTED IN STUDENT LOANS?	(BLANK)
34. INTERESTED IN PARENT LOANS?	(BLANK)
35. ATTENDING SAME COLLEGE IN 1998-99?	(BLANK)
36. MONTHLY VA BENEFITS AMOUNT	$ (123 ASSUMED)
37. HOW MANY MONTHS RECEIVE VA BENEFITS?	00
38. BORN BEFORE 1-1-75?	(BLANK)
39. VETERAN OF U.S. ARMED FORCES?	(BLANK)
40. ENROLLED IN GRADUATE PROGRAM 1998-99?	(BLANK)
41. ARE YOU MARRIED?	(BLANK)
42. ORPHAN OR WARD OF COURT?	(BLANK)
43. HAVE DEPENDENTS OTHER THAN SPOUSE?	(BLANK)
44. NUMBER OF FAMILY MEMBERS IN 1998-99	(BLANK)
45. NUMBER IN COLLEGE IN 1998-99	(BLANK)
46. PARENT(S) MARITAL STATUS	SEPARATED
47. PARENT(S) STATE OF LEGAL RESIDENCE	AB
48. DATE PARENT(S) BECAME LEGAL RESIDENT	JANUARY 1961
49. NUMBER OF FAMILY MEMBERS IN 1998-99	(BLANK)
50. NUMBER IN COLLEGE IN 1998-99	(BLANK)
51. TYPE OF 1997 TAX FORM USED	COMPLETED 1040/EZ
52. EXEMPTIONS CLAIMED	00
53. ADJUSTED GROSS INCOME FROM IRS FORM	$ (-123,456 ASSUMED)
54. U.S. INCOME TAX PAID	$ (-12,345 ASSUMED)

55. STUDENT'S INCOME EARNED FROM WORK	$ (-123,456 ASSUMED)
56. SPOUSE'S INCOME EARNED FROM WORK	$ (-123,456 ASSUMED)
57. EARNED INCOME CREDIT	$ (-12,345 ASSUMED)
58. ANNUAL SOCIAL SECURITY BENEFITS	$ (-12,345 ASSUMED)
59. ANNUAL AFDC/ADC OR TANF	$ (-12,345 ASSUMED)
60. ANNUAL CHILD SUPPORT RECEIVED	$ -12,345 ASSUMED)
61. OTHER UNTAXED INCOME	$ (-12,345 ASSUMED)
62. 1997 AMOUNT FROM LINE 5, WORKSHEET #3	$ (BLANK)
63. TYPE OF 1997 TAX FORM USED	COMPLETED 1040/EZ
64. EXEMPTIONS CLAIMED	00
65. ADJUSTED GROSS INCOME FROM IRS FORM	$ (-123,456 ASSUMED)
66. U.S. INCOME TAX PAID	$ (-123,456 ASSUMED)
67. FATHER'S INCOME EARNED FROM WORK	$ (-123,456 ASSUMED)
68. MOTHER'S INCOME EARNED FROM WORK	$ (-123,456 ASSUMED)
69. EARNED INCOME CREDIT	$ (-12,345 ASSUMED)
70. ANNUAL SOCIAL SECURITY BENEFITS	$ (-12,345 ASSUMED)
71. ANNUAL AFDC/ADC OR TANF	$ (-12,345 ASSUMED)
72. ANNUAL CHILD SUPPORT RECEIVED	$ (-12,345 ASSUMED)
73. OTHER UNTAXED INCOME	$ (-12,345 ASSUMED)
74. 1997 AMOUNT FROM LINE 5, WORKSHEET #3	$ (-12,345 ASSUMED)
75. CASH, SAVINGS, AND CHECKING	$ (123,456 ASSUMED)
76. OTHER REAL ESTATE/INVESTMENT VALUE	$ (123,456 ASSUMED)
77. OTHER REAL ESTATE/INVESTMENT DEBT	$ (123,456 ASSUMED)
78. BUSINESS VALUE	$ (1,234,567 ASSUMED)
79. BUSINESS DEBT	$ (1,234,567 ASSUMED)
80. INVESTMENT FARM VALUE	$ (1,234,567 ASSUMED)
81. INVESTMENT FARM DEBT	$ (1,234,567 ASSUMED)
82. AGE OF OLDER PARENT	99
83. CASH, SAVINGS, AND CHECKING	$ (123,456 ASSUMED)
84. OTHER REAL ESTATE/INVESTMENT VALUE	$ (1,234,567 ASSUMED)
85. OTHER REAL ESTATE/INVESTMENT DEBT	$ (1,234,567 ASSUMED)
86. BUSINESS VALUE	$ (1,234,567 ASSUMED)
87. BUSINESS DEBT	$ (1,234,567 ASSUMED)
88. INVESTMENT FARM VALUE	$ (1,234,567 ASSUMED)
89. INVESTMENT FARM DEBT	$ (1,234,567 ASSUMED)
90. FIRST COLLEGE NAME	0123456789012345678901234567890123456
91. FIRST HOUSING STATUS	WITH PARENT(S)
92. SECOND COLLEGE NAME	0123456789012345678901234567890123456
93. SECOND HOUSING STATUS	WITH PARENT(S)
94. THIRD COLLEGE NAME	0123456789012345678901234567890123456
95. THIRD HOUSING STATUS	WITH PARENT(S)
96. FOURTH COLLEGE NAME	0123456789012345678901234567890123456
97. FOURTH HOUSING STATUS	WITH PARENT(S)
98. FIFTH COLLEGE NAME	0123456789012345678901234567890123456
99. FIFTH HOUSING STATUS	WITH PARENT(S)
100. SIXTH COLLEGE NAME	0123456789012345678901234567890123456
101. SIXTH HOUSING STATUS	WITH PARENT(S)
102. SHOULD DATA BE RELEASED TO STATE?	(BLANK)
103. REGISTER YOU FOR SELECTIVE SERVICE?	(BLANK)
104. SIGNED BY?	STUDENT
105. DATE COMPLETED	JANUARY 01, 1998
106. PREPARER'S EIN	REPORTED
107. PREPARER'S SOCIAL SECURITY NUMBER	REPORTED
108. PREPARER'S SIGNATURE	(BLANK)

Processing Results

Record Type: *
Verification Selection Type: XX
Application Receipt Date: mm/dd/ccyy
Transaction Process Date: mm/dd/ccyy
Transaction Receipt Date: mm/dd/ccyy
System Generated Indicator: X

Expected Family Contribution: Primary 00000
Secondary 00000
Automatic Zero EFC Flag: X
Formula Type: X
Simplified Needs Test Flag: X
FAA EFC Adjustment: X

Dependency Status Model: X
Dependency Override: X
Duplicate Request Indicator: X
Hold Code: X
Subsequent Application Flag: X
Pell Eligible Flag: X
Pell Digit: X

SSN Match Flag: X
INS Match Flag: X
NSLDS Match Flag: X

Selective Service Registration Flag: X
INS Verification #: 999999999999
NSLDS Results Flag: X

Selective Service Match: X
SSA Citizenship Code: X
NSLDS Transaction Number: 99

Reject Code(s): 01 02 03 04 05 06 07
Comment Codes: 001 002 003 004 005 006 007 008 009 010

000117C041

1998-99 Institutional Student Information Record

OMB No. 1840-0132

Student ID	556440011 JO 02

A. YOU(THE STUDENT)(Q1-Q22)

Name	SHARON JOLLY
Title:	MR
Address:	512 NEW WORLD WAY SAR VA 22309
Social Security Number	556-44-0011
Date of Birth	11/24/1966
Permanent Home Phone #	(703)111-0000
State of Legal Residence	VA
Date Became a Legal Res.	03/1978
Driver's Lic #	VA000000000-VA
Citizenship Sts	U.S. CITIZEN
Alien Registration Number	
Marital Status	UNMARRIED
Date of Marital Status	
First Bachelor's Degree by 7-1-98?	NO
HS Diploma/GED Received?	YES
Father's Educational Level	HIGH SCHOOL
Mother's Educational Level	HIGH SCHOOL

B. YOUR PLANS (Q23-Q37)

Enrollment Status Summ '98	NOT ENROL
Enrollment Status Fall '98	FULL TIME
Enrollment Status Wint '99	NOT ENROL
Enrollment Status Spr '99	FULL TIME
Enrollment Status Summ '99	NOT ENROL
Course of Study	BUSINESS
Degree/Cert	1ST BA
Date to Complete Program	05/2000
Yr in Coll in 98-99	2ND YR/SOPH
Interested in Student Employment?	YES
Interested in Student Loans?	YES
Interested in Parent Loans?	NO
Attend Same College in 1998-99?	YES
Monthly VA Benefits	0
No. of Months VA Benefits Received	0

C. STUDENT STATUS (Q38-Q43)

*Born Before 1-1-75?	YES
Veteran of U.S. Armed Forces?	NO
Enrolled Grad/Prof Prog in 98-99?	NO
Are You Married?	NO
Orphan or Ward of the Court?	NO
Have Dependents Other Than Spouse?	NO

EFC	
Dependency Status	INDEPENDENT

D. HOUSEHOLD INFORMATION (Q44-Q50)

STUDENT (AND SPOUSE)

*Number of Family Members	01
*Number in College in 1998-99	1

PARENTS

Marital Status	MARRIED
State of Legal Residence	VA
Date Became a Legal Res	02/1970
Number of Family Members	05
Number in College in 1998-99	1

E. 1997 INCOME & EARNINGS (Q51-Q74)

STUDENT (AND SPOUSE)

Type of 1997 Tax Form Used	NOT FILED
Exemptions Claimed	
Adjusted Gross Income	
U.S. Income Tax Paid	
Student's Income from Work	750
Spouse's Income from Work	0
Earned Income Credit	0
Social Security Benefits	0
Annual AFDC/ADC or TANF	0
Child Support Received	0
Other Untaxed Income	0
Amt from Line 5, Wrksht #3	0

PARENTS

Type of 1997 Tax Form Used	EST1040A
Exemptions Claimed	05
Adjusted Gross Income	11750
U.S. Income Tax Paid	0
Father's Income from Work	11750
Mother's Income from Work	0
Earned Income Credit	600
Social Security Benefits	5000
Annual AFDC/ADC or TANF	0
Child Support Received	0
Other Untaxed Income	2000
Amt from Line 5, Wrksht #3	0

```
Student ID              556440011 JO 02   EFC
Last Name                         JOLLY
F. ASSET INFORMATION (Q75-Q89)            Should Data be Released to State?  YES
STUDENT (AND SPOUSE)                      Register for Selective Service?     NO
Cash, Savings, and Checking               Signed By
Other Real Estate/Inv. Value              Date Application Completed  01/25/1998
Other Real Estate/Inv. Debt               Preparer's EIN
Business Value                            Preparer's SSN
Business Debt                             Preparer's Signature
Investment Farm Value
Investment Farm Debt

PARENTS
Age of Older Parent
Cash, Savings, and Checking
Other Real Est./Inv. Value
Other Real Est./Inv. Debt
Business Value
Business Debt                             OFFICE INFORMATION
Investment Farm Value                     DRN
Investment Farm Debt                      Formula Type
                                          Processed Date              01/26/1998
G. RELEASES AND SIGNATURES (Q90-Q108)     Application Source                 NCS
College #1 001002 House #1   ON CAMPUS    Transaction Type     PAPER APPLICATION
College #2        House #2                Institution Number              001002
College #3        House #3                Reject Override Codes:
College #4        House #4                B2  G2  N2  U2  W2
College #5        House #5                Assumption Override Codes:
College #6        House #6                12 22 32 42 52 62 72 82
------------------------------------------------------------------------------
FAA INFORMATION                           Early Analysis Flag:
Date ISIR Received          12/11/1997    Rejects Met:                      16
Verification Type                         Verification Flag
System Generated Indicator           N    Dependency Override
FAA EFC Adjustment Flag                   Duplicate Request
Date Application Received   02/01/1998    Correction # Applied to           01
Reprocessing Code                         Transaction Receipt Date  01/19/1998

Pell Paid EFC           Pell Elig Flag            Intermediate Values
Primary EFC             Secondary EFC          TI            APA
Mon 1     Mon 7         Mon 1     Mon 7        FTI           PCA
Mon 2     Mon 8         Mon 2     Mon 8        ATI           AAI
Mon 3     Mon 10        Mon 3     Mon 10       STX           TPC
Mon 4     Mon 11        Mon 4     Mon 11       IPA           TSC
Mon 5     Mon 12        Mon 5     Mon 12       EA            PC
Mon 6                   Mon 6                  AI            SIC
                                               DNW           CAI
                                               SCA
Auto Zero EFC Flag    NO                       STI
SNT Flag                                       Subsequent App Flag

Match Flags:  SSN 3    SSA     INS     SS     NSLDS 3
              INS Verification #              SS Registration Flag
              NSLDS Transaction Number   01   NSLDS Database Results Flag   1

Comments:004,006,111,062,064,129,130,032,133,038,077,090
```

NEED TO KNOW (cont'd)

```
             1998-99 Institutional Student Information Record
SHARON JOLLY
556-44-0011
1998-99  NSLDS FINANCIAL AID HISTORY              Processed:  01/26/98
This page contains your previous financial aid information, which is contained in the
National Student Loan Data System (NSLDS).  Your Financial Aid Administrator will use
it to determine your eligibility.
*****************************************************************************************
Overpayment:  Contact:    Defaulted Loans:N  Discharged:Y  Loan Sat. Repay:N  Active Bank:N
Pell:      Y   00132100
FSEOG:     N   N/A
Perkins:   N   N/A
*****************************************************************************************
Aggregate Amount for FFELP/Direct Loans:
Subsid. Loans:     Outstanding Prin. Bal.:$     502  Pending Disb(s):       N/A Total:$     502
Unsubs. Loans:     Outstanding Prin. Bal.:      N/A  Pending Disb(s):       N/A Total:      N/A
Consol. Loans:     Outstanding Prin. Bal.:$100,804                              Total:$100,804
Perkins Loans:
Cumulative Loan Amount:          $  1,001 Current Year Loan Amount:       N/A
First Disbursement Prior To 10/1/92:   N Expanded Lending Option:          N
*****************************************************************************************
1998-99 Pell Payment Data:
Sch.Code:          Tran:     Sch.Amt:$     0 Disb.Amt:$     0 Rem.Amt:$     0 %Sch.Used:
As of:
Sch.Code:          Tran:     Sch.Amt:$     0 Disb.Amt:$     0 Rem.Amt:$     0 %Sch.Used:
As of:
*****************************************************************************************
Loan Detail:                         Loan     Begin     End     GA    School      Contact Contact
                                    Amount    Date      Date    Code   Code                Type


Direct Consolidated Unsub      $  1,004 10/04/96 06/04/97  N/A  00132100      32800  DLS
Status Code RP as of 10/04/97
Outstanding Bal. $     805 as of 10/02/97

FFEL Consolidated              $ 99,999 10/03/95 06/03/96  702  N/A          830906  LEN
Status Code ID as of 10/03/97
Outstanding Bal. $ 99,999 as of 10/08/97

NDSL                           $    902 10/02/94 06/02/95  N/A  00132100  00132100  SCH
Status Code RP as of 10/02/97
Outstanding Bal. $     603 as of 10/07/97

Direct Stafford Subsidized     $  1,001 10/01/93 06/01/94  N/A  00132100     32700  DLS
Status Code ID as of 10/01/97
Outstanding Bal. $     502 as of 10/06/97
```

PRACTICE

Review Quiz — The SAR

Check if each statement is correct. You may use your training materials.

	YES	NO
1. Information Review Forms are used to make mandatory corrections indicated on the SAR.		
2. Information Review Forms have printouts of each FAFSA item with adjacent spaces for corrections.		
3. If a student completes the FAFSA with insufficient information for an EFC to be calculated, the SAR is flagged as "Pell-ineligible."		
4. Information Request Forms are used to make optional corrections indicated on the SAR.		
5. The Information Request Form is Part 3 of the SAR.		
6. The Information Request Form contains each item from the FAFSA and space for corrections.		
7. Part 2 includes the following: Information Summary, eligibility letter, FAFSA information, NSLDS history.		
8. Part 1 of the SAR contains the eligibility letter.		
9. Part 2 of the SAR is where the student makes corrections.		

BACK AT THE OFFICE

Back at the office, you should:

- Read *A Guide to 1998-99 SARs and ISIRs*. You can obtain this by calling 1-800-4-FED-AID.
- Attend the next EDExpress training.
- ____
- ____
- ____

Review Quiz — The SAR

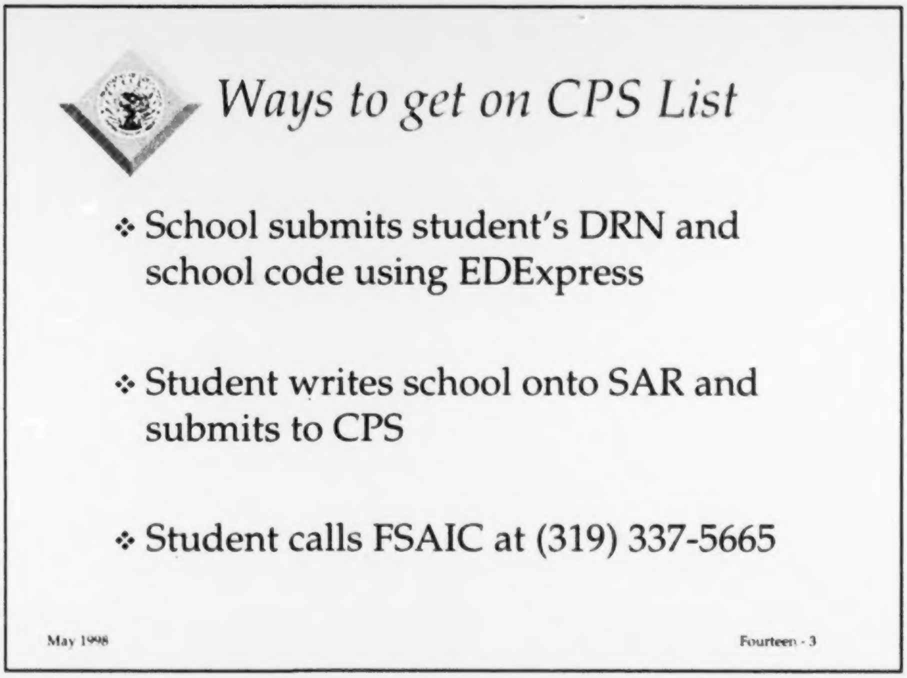
Check if each statement is correct. You may use your training materials.	YES	NO
1. Information Review Forms are used to make mandatory corrections indicated on the SAR.		X
2. Information Review Forms have printouts of each FAFSA item with adjacent spaces for corrections.	X	
3. If a student completes the FAFSA with insufficient information for an EFC to be calculated, the SAR is flagged as "Pell-ineligible."		X
4. Information Request Forms are used to make optional corrections indicated on the SAR.		X
5. The Information Request Form is Part 3 of the SAR.		X
6. The Information Request Form contains each item from the FAFSA and space for corrections.	X	
7. Part 2 includes the following: Information Summary, eligibility letter, FAFSA information, NSLDS history.		X
8. Part 1 of the SAR contains the eligibility letter.	X	
9. Part 2 of the SAR is where the student makes corrections.	X	

Possible SAR Outcomes

- Pell-Eligible
  - EFC 2800 or less
- Pell-Ineligible
  - EFC greater than 2800
- Rejected
  - FAFSA completed incorrectly, has no signature, or mailed before January 1

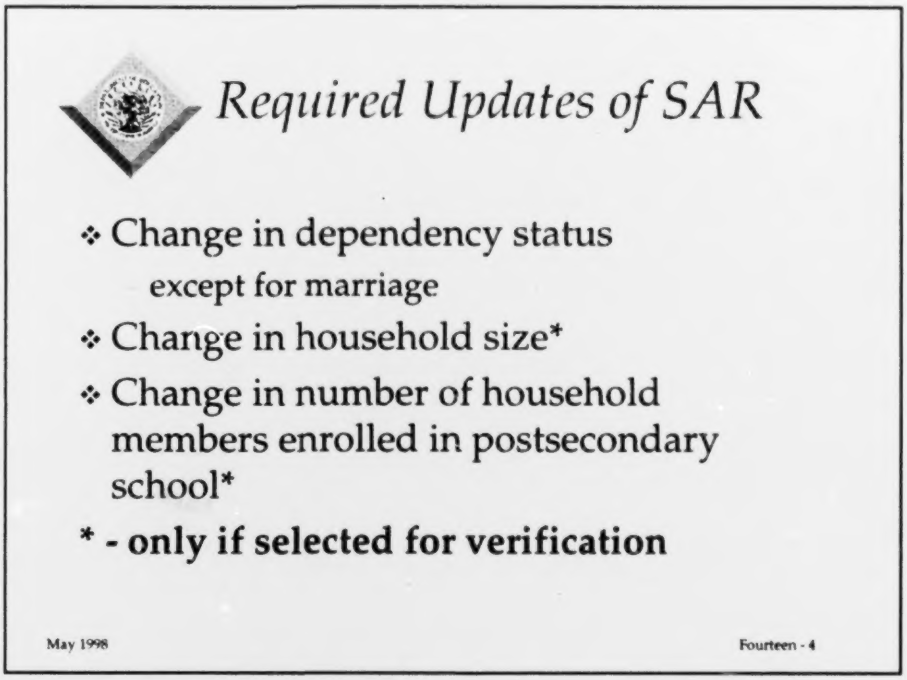
ISIRs

- You must add your school to the CPS list so you can receive ISIRs for a particular student.
- If necessary, first payment to student okay using SAR or SAR IA.
  - within 30 days, though, must add school to CPS list, though



Ways to get on CPS List

- School submits student's DRN and school code using EDExpress
- Student writes school onto SAR and submits to CPS
- Student calls FSAIC at (319) 337-5665



Required Updates of SAR

- Change in dependency status
  except for marriage
- Change in household size*
- Change in number of household members enrolled in postsecondary school*

*** - only if selected for verification**

Session 15 - Verification, Updating, and Corrections

By the end of this session, you will be able to:

- ***identify which students are subject to verification,***
- ***perform verification,***
- ***handle updating of and corrections to students' output documents, and***
- ***handle conflicting information in a student's file.***

RESOURCES:

- *The Verification Guide, 1998-99*
- *Action Letter #4 - (GEN 97-13) - November 1997*

SESSION CONTENTS:

1. Need to Know
    - Lecture Notes
    - Chart — 1998-99 Signature Requirements for Application and Verification Information
2. Practice
    - Verification case study
3. Back at the Office
4. Answer Key

BEST COPY AVAILABLE

NEED TO KNOW

Verification and Title IV Programs

Verification is the process of checking the accuracy of information supplied by students on the FAFSA. This is important to reduce fraud and abuse and ensure the integrity of the federal student aid programs.

The financial aid office handles verification.

Application information is compared against tax returns and a student's (and, if dependent, student's parents') statements.

Title IV Programs Subject to Verification

If students will receive Federal Pell Grants, campus-based awards, or subsidized loans and their applications are selected for verification, their eligibility to receive aid from these programs is subject to restrictions until verification is completed.

How Applications are Selected for Verification

Applications are selected for verification:

- by ED's Central Processing System (CPS) or
- by the school.

An asterisk by the EFC and comments on the SAR and ISIR indicate selection for verification.

30% Verification Option

Schools are required to verify all applications selected for verification.

If more than 30% are selected, you can stop at 30%. If fewer are selected, you only need to verify the number selected.

Verification Exclusions

Certain applications may be exempt from some or all of the verification requirements (for example, students who are in a local prison need not have information verified).

Verification vs. Conflicting Information

Schools must resolve any applicant data that are known to be in conflict or be inconsistent with school records before any federal student aid is disbursed. The requirement to resolve conflicting data is separate and distinct from the verification process.

Discretionary Verification Items

The school may choose to verify any other information on the aid application, as long as it is done in accordance with consistently applied school policies and procedures.

Handling Awards While Verification is in Progress

The school has the authority to withhold disbursement or delivery of all of a student's federal student aid funds until verification is complete.

Or the school may choose to disburse and deliver portions of a student's aid before verification is complete. Because the school is liable if verification is not completed, this option should be used sparingly. See *The Verification Guide* for details.

Completing Verification

Documentation needed

For Pell Grants, you need:

- correct or corrected application data,
- all verification documentation on file, and
- final output document with valid EFC on file.

For campus-based and loan programs, you need:

- all verification documentation on file and
- applicant data that have passed through the CPS at least once.

Deadlines and the 60-Day Verification Extension

For Pell Grants, final output documents must be submitted to the school 60 days after the student's last day of enrollment or August 31, 1999, whichever is earlier.*

- Students must have submitted initial output documents to the school by August 31, 1999 or their last day of enrollment, whichever is earlier.
- They must have been selected for verification but have been unable to complete it before finishing their classes.

  Important: A student cannot increase his or her Pell Grant eligibility by taking advantage of the 60-day extension.

For campus-based and loan programs, deadlines are set by the school.

---

*This date changes slightly each year based on the calendar; it is published each year in the *Federal Register*.

NEED TO KNOW (cont'd)

Updating

Updating is required and involves only three data items that might have changed since the time the application was submitted:

- dependency status,
- household size, and
- number enrolled in postsecondary institutions.

None of these items can be updated if the change is due to a change in the student's marital status. A previously certified Direct Loan or FFEL Program application also cannot be updated.

Signature Requirements

Improperly signed or unsigned documents can invalidate verification, causing the school liabilities. See the chart on the next page for signature requirements.

1998-99 Signature Requirements for Application and Verification Information

...general requirements for federal student aid	**Application** (FAFSA, Renewal Application, EDE, FAFSA Express)	**IRS FORMS** 1040 or other form submitted for verification	**Verification Worksheet** [illegible]
Student	Must sign statement that data are accurate (on application, echo document, or signature page)	Tax return must be signed by student (or spouse) or by the tax preparer (or stamp)	Must sign worksheet
Parent(s) (of dependent student)	At least one parent must sign statement that data are accurate (on application, echo document, or signature page)	Tax return must be signed by at least one parent or by the tax preparer (or stamp)	At least one parent must sign
FAA	Must certify if dependency override is performed		

...additional requirements to receive a Federal Pell Grant	**SAR** to be submitted for corrections	**EDE** corrections	**Professional Judgment** SAR or EDE	**Valid SAR or [illegible]**
Student	Must sign corrections statement on Part 2 of SAR	School must have signed documentation		No signature required
Parent(s) (of dependent student)	At least one parent must sign corrections statement on Part 2 of SAR	School must have signed documentation		No signature required
FAA			Must certify for adjustments or dependency override	

Note:
- Statements of Educational Purpose and Overpayment/Default are on the FAFSA and are considered signed when student signs the FAFSA.
- Student's spouse is not required to sign any of the student's financial aid documents.

BEST COPY AVAILABLE

1998-99 VERIFICATION WORKING PAPER

Student:______________________ SS#:______________ Dependency Status: ____________

Type of return (parent/s): 1040 1040A 1040EZ Type of return (student/spouse): 1040 1040A 1040EZ

Item Reported (Check box if match or not applicable)		Amount Reported & SAR Line Item	Amount Verified & Source Line Item
Household Size	☒	6 44/49	6 Worksheet
Number in College	☐	45/50	Worksheet
Parent Adjusted Gross Income	☐	65	1040-32; 1040A-16; 1040EZ-4
Parent Income Tax Paid	☐	66	1040-46; 1040A-25; 1040EZ-10
Student/Spouse Adjusted Gross Income	☐	53	1040-32; 1040A-16; 1040EZ-4
Student/Spouse Income Tax Paid	☐	54	1040-46; 1040A-25; 1040EZ-10
Non-tax-filers: Student Earnings	☐	55	Worksheet Line items for reference only. 1040-7+12+18 1040A-7 1040EZ-1
Spouse Earnings	☐	56	
Mother Earnings	☐	67	
Father Earnings	☐	68	
Untaxed Income:			
*Social Security Benefits	☐	58/70	Worksheet or SSA statement
**Child Support	☐	60/72	Worksheet
IRA / KEOGH Deductions	☐	***61/73	1040-23+28; 1040A-15
Foreign Income Exclusion	☐	***61/73	IRS 2555-43; 2555EZ-18
Earned Income Credit	☐	57/69	1040-56a; 1040A-29c; 1040EZ-8a
Interest on Tax-Free Bonds	☐	***61/73	1040-8b; 1040A-8b

* Verify if comment on SAR or reason to believe benefits were reported incorrectly or received and not reported.

** Verify if reported or if reason to believe benefit was received and not reported.

*** Combined for this SAR item. Broken out on FAFSA worksheet #2.

Verification Status Code: N A W T C R S

Net error of items not checked: $
($400 or less)

NOTES:

Verification Performed By: 222 Date:

PRAC[illegible] (cont'd)

1. LAST NAME	Jackson
2. FIRST NAME	Chris
3. MIDDLE INITIAL	B
4. PERMANENT STREET ADDRESS	2912 Bluefield Court
5. CITY	Rockville
6. STATE ABBREVIATION	MD
7. ZIP CODE	20906
8. SOCIAL SECURITY NUMBER	503-01-0004
9. DATE OF BIRTH	February 10, 1980
10. PERMANENT HOME PHONE NUMBER	(301) 111-0000
11. STATE OF LEGAL RESIDENCE ABBREVIATION	MD
12. DATE YOU BECAME A LEGAL RESIDENT	October 01, 1993
13. DRIVER'S LICENSE NUMBER	
14. DRIVER'S LICENSE STATE ABBREVIATION	
15. CITIZENSHIP STATUS	U.S. Citizen
16. ALIEN REGISTRATION NUMBER	
17. MARITAL STATUS	Unmarried
18. DATE OF MARITAL STATUS	(Blank)
19. FIRST BACHELOR'S DEGREE BY 7-1-1998?	No
20. HIGH SCHOOL DIPLOMA OR GED?	Yes
21. FATHER'S EDUCATIONAL LEVEL	High School
22. MOTHER'S EDUCATIONAL LEVEL	High School
23. ENROLLMENT STATUS SUMMER TERM 1998	Not Enrolled
24. ENROLLMENT STATUS FALL SEM/QTR 1998	Full Time
25. ENROLLMENT STATUS WINTER QTR 1998-99	Not Enrolled
26. ENROLLMENT STATUS SPRING SEM/QTR 1999	Full Time
27. ENROLLMENT STATUS SUMMER TERM 1999	Not Enrolled
28. COURSE OF STUDY	Computer Science
29. TYPE OF DEGREE/CERTIFICATE	1st BA
30. DATE EXPECT TO RECEIVE DEGREE/CERT.	May 15, 2001
31. GRADE LEVEL IN COLLEGE IN 1998-99	1st Never Attended
32. INTERESTED IN STUDENT EMPLOYMENT?	Yes
33. INTERESTED IN STUDENT LOANS?	Yes
34. INTERESTED IN PARENT LOANS?	No
35. ATTENDING SAME COLLEGE IN 1998-99?	(Blank)
36. MONTHLY VA BENEFITS AMOUNT	$ 0
37. HOW MANY MONTHS RECEIVE VA BENEFITS?	00
38. BORN BEFORE 1-1-75?	No
39. VETERAN OF U.S. ARMED FORCES?	No
40. ENROLLED IN GRADUATE PROGRAM 1998-99?	No
41. ARE YOU MARRIED?	No
42. ORPHAN OR WARD OF COURT?	No
43. HAVE DEPENDENTS OTHER THAN SPOUSE?	No
44. NUMBER OF FAMILY MEMBERS IN 1998-99	
45. NUMBER IN COLLEGE IN 1998-99	
46. PARENT(S) MARITAL STATUS	Married
47. PARENT(S) STATE OF LEGAL RESIDENCE	MD
48. DATE PARENT(S) BECAME LEGAL RESIDENT	October 01, 1993
49. NUMBER OF FAMILY MEMBERS IN 1998-99	06
50. NUMBER IN COLLEGE IN 1998-99	2
51. TYPE OF 1997 TAX FORM USED	Not Filed
52. EXEMPTIONS CLAIMED	
53. ADJUSTED GROSS INCOME FROM IRS FORM.	$
54. U.S. INCOME TAX PAID	$

PRACTICE (cont'd)

55. STUDENT'S INCOME EARNED FROM WORK	$
56. SPOUSE'S INCOME EARNED FROM WORK	$
57. EARNED INCOME CREDIT	$
58. ANNUAL SOCIAL SECURITY BENEFITS	$
59. ANNUAL AFDC/ADC OR TANF	$
60. ANNUAL CHILD SUPPORT RECEIVED	$
61. OTHER UNTAXED INCOME	$
62. 1997 AMOUNT FROM LINE 5, WORKSHEET #3	$
63. TYPE OF 1997 TAX FORM USED	Completed 1040A/EZ/TE
64. EXEMPTIONS CLAIMED	06
65. ADJUSTED GROSS INCOME FROM IRS FORM	$ 23,461
66. U.S. INCOME TAX PAID	$ 369
67. FATHER'S INCOME EARNED FROM WORK	$ 19,566
68. MOTHER'S INCOME EARNED FROM WORK	$ 3,895
69. EARNED INCOME CREDIT	$
70. ANNUAL SOCIAL SECURITY BENEFITS	$
71. ANNUAL AFDC/ADC OR TANF	$
72. ANNUAL CHILD SUPPORT RECEIVED	$
73. OTHER UNTAXED INCOME	$
74. 1997 AMOUNT FROM LINE 5, WORKSHEET #3	$
75. CASH, SAVINGS, AND CHECKING	$ 850
76. OTHER REAL ESTATE/INVESTMENT VALUE	$
77. OTHER REAL ESTATE/INVESTMENT DEBT	$
78. BUSINESS VALUE	$
79. BUSINESS DEBT	$
80. INVESTMENT FARM VALUE	$
81. INVESTMENT FARM DEBT	$
82. AGE OF OLDER PARENT	48
83. CASH, SAVINGS, AND CHECKING	$ 1,000
84. OTHER REAL ESTATE/INVESTMENT VALUE	$
85. OTHER REAL ESTATE/INVESTMENT DEBT	$
86. BUSINESS VALUE	$
87. BUSINESS DEBT	$
88. INVESTMENT FARM VALUE	$
89. INVESTMENT FARM DEBT	$
90. FIRST COLLEGE NAME	
91. FIRST HOUSING STATUS	With Parent(s)
92. SECOND COLLEGE NAME	
93. SECOND HOUSING STATUS	(Blank)
94. THIRD COLLEGE NAME	
95. THIRD HOUSING STATUS	(Blank)
96. FOURTH COLLEGE NAME	
97. FOURTH HOUSING STATUS	(Blank)
98. FIFTH COLLEGE NAME	
99. FIFTH HOUSING STATUS	(Blank)
100. SIXTH COLLEGE NAME	
101. SIXTH HOUSING STATUS	(Blank)
102. SHOULD DATA BE RELEASED TO STATE?	Yes
103. REGISTER YOU FOR SELECTIVE SERVICE?	(Blank)
104. SIGNED BY?	Both
105. DATE COMPLETED	February 01, 1998
106. PREPARER'S EIN	(Blank)
107. PREPARER'S SOCIAL SECURITY NUMBER	(Blank)
108. PREPARER'S SIGNATURE	(Blank)

BEST COPY AVAILABLE

Form **1040A** (99) Department of the Treasury—Internal Revenue Service

U.S. Individual Income Tax Return **1997** IRS Use Only—Do not write or staple in this space.

OMB No. 1545-0085

Label (See page 14.) **Use the IRS label.** Otherwise, please print in **ALL CAPITAL LETTERS.**

LABEL HERE

Your first name: Sheldon Init.: Last name: Jackson

If a joint return, spouse's first name: Anne Init.: Last name: Jackson

Home address (number and street). If you have a P.O. box, see page 14.: 2912 Bluefield Court Apt. no.:

City, town or post office. If you have a foreign address, see page 14.: Rockville State: MD ZIP code: 20906

Your social security number: 987-65-4324

Spouse's social security number: 876-54-3210

For Privacy Act and Paperwork Reduction Act Notice, see page 42.

Presidential Election Campaign Fund (See page 14.)

	Yes	No
Do you want $3 to go to this fund?		✓
If a joint return, does your spouse want $3 to go to this fund?		✓

Note: *Checking "Yes" will not change your tax or reduce your refund.*

1 ☐ Single

2 ☑ Married filing joint return (even if only one had income)

3 ☐ Married filing separate return. Enter spouse's social security number above and full name here. ▶

4 ☐ Head of household (with qualifying person). (See page 15.) If the qualifying person is a child but not your dependent, enter this child's name here. ▶

5 ☐ Qualifying widow(er) with dependent child (year spouse died ▶ 19). (See page 16.)

6a ☑ **Yourself.** If your parent (or someone else) can claim you as a dependent on his or her tax return, **do not** check box 6a.

b ☑ **Spouse**

No. of boxes checked on 6a and 6b 2

c **Dependents.** If more than six dependents, see page 16.

(1) First name	Last name	(2) Dependent's social security number	(3) Dependent's relationship to you	(4) No. of months lived in your home in 1997
Chris	Jackson	503-01-0004	Daughter	12
Paul	Jackson		Son	12
Sarah	Jackson		Daughter	12
Loren	Jackson		Daughter	12

No. of your children on 6c who:
- **lived with you** 4
- **did not live with you due to divorce or separation (see page 17)**

Dependents on 6c not entered above

d Total number of exemptions claimed ▶ **Add numbers entered in boxes above** 6

				Dollars	Cents
7	Wages, salaries, tips, etc. Attach Form(s) W-2.		7	23,261	00
8a	**Taxable** interest income. Attach Schedule 1 if required.		8a		
b	**Tax-exempt** interest. DO NOT include on line 8a.	8b			
9	Dividends. Attach Schedule 1 if required.		9		
10a	Total IRA distributions.	10a	10b Taxable amount (see page 19). 10b		
11a	Total pensions and annuities.	11a	11b Taxable amount (see page 19). 11b		
12	Unemployment compensation.		12		
13a	Social security benefits.	13a	13b Taxable amount (see page 21). 13b		
14	Add lines 7 through 13b (far right column). This is your **total income.** ▶		14		
15	IRA deduction (see page 21).		15		
16	Subtract line 15 from line 14. This is your **adjusted gross income.** If under $29,290 (under $9,770 if a child did not live with you), see the EIC instructions on page 27. ▶		16	23,261	00

Attach Copy B of W-2 and 1099-R here. Cat. No. 11327A **1997 Form 1040A**

1997 Form 1040A page 2

17 Enter the amount from line 16. **17** 23,261.00

18a Check if: ☐ **You** were 65 or older ☐ Blind / ☐ **Spouse** was 65 or older ☐ Blind — **Enter number of boxes checked** ▶ 18a 0

b If you are married filing separately and your spouse itemizes deductions, see page 23 and check here . . . . . ▶ 18b ☐

19 Enter the **standard deduction** for your filing status. **But** see page 24 if you checked any box on line 18a or 18b **OR** someone can claim you as a dependent.
- Single—4,150
- Married filing jointly or Qualifying widow(er)—6,900
- Head of household—6,050
- Married filing separately—3,450

19 6,900.00

20 Subtract line 19 from line 17. If line 19 is more than line 17, enter 0. **20** 16,361.00

21 Multiply $2,650 by the total number of exemptions claimed on line 6d. **21** 15,900.00

22 Subtract line 21 from line 20. If line 21 is more than line 20, enter 0. This is your **taxable income. If you want the IRS to figure your tax, see page 24.** ▶ **22** 461.00

23 Find the tax on the amount on line 22 (see page 24). **23** 69.00

24a Credit for child and dependent care expenses. Attach Schedule 2. **24a**

b Credit for the elderly or the disabled. Attach Schedule 3. **24b**

c Adoption credit. Attach Form 8839. **24c**

d Add lines 24a, 24b, and 24c. These are your **total credits.** **24d**

25 Subtract line 24d from line 23. If line 24d is more than line 23, enter 0. **25** 69.00

26 Advance earned income credit payments from Form(s) W-2. **26**

27 Household employment taxes. Attach Schedule H. **27**

28 Add lines 25, 26, and 27. This is your **total tax.** ▶ **28** 69.00

29a Total Federal income tax withheld from Forms W-2 and 1099. **29a** 369.00

b 1997 estimated tax payments and amount applied from 1996 return. **29b** 0.00

c **Earned income credit.** Attach Schedule EIC if you have a qualifying child. **29c** 0.00

d Nontaxable earned income: amount ▶ and type ▶

e Add lines 29a, 29b, and 29c. These are your **total payments.** ▶ **29e** 369.00

30 If line 29e is more than line 28, subtract line 28 from line 29e. This is the amount you **overpaid.** **30** 300.00

31a Amount of line 30 you want **refunded to you.** If you want it directly deposited, see page 33 and fill in 31b, 31c, and 31d. **31a** 300.00

b Routing number

c Type: ☐ Checking ☐ Savings

d Account number

32 Amount of line 30 you want **applied to your 1998 estimated tax.** **32**

33 If line 28 is more than line 29e, subtract line 29e from line 28. This is the **amount you owe.** For details on how to pay, see page 34. **33** 0.00

34 Estimated tax penalty (see page 34). **34**

Sign here

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and accurately list all amounts and sources of income I received during the tax year. Declaration of preparer (other than the taxpayer) is based on all information of which the preparer has any knowledge.

Keep a copy of this return for your records.

Your signature: Sheldon Jackson
Date: 1-28-98
Your occupation: Construction Worker

Spouse's signature. If joint return, BOTH must sign.: Anne Jackson
Date: 1/28/98
Spouse's occupation: Secretary

Paid preparer's use only

Preparer's signature ▶
Date
Check if self-employed ☐
Preparer's SSN

Firm's name (or yours if self-employed) and address ▶
EIN
ZIP code

U.S. Department of Education

1998-99 Verification Worksheet

Federal Student Aid Programs

FORM APPROVED
OMB NO. 1840-0132
EXP. DATE 12/31/98

DEPENDENT STUDENT

Your application was selected for review in a process called "Verification." In this process, your school will be comparing information from your application with signed copies of your and your parent(s)' 1997 Federal tax forms, or with W-2 forms or other financial documents. The law says we have the right to ask you for this information before awarding Federal aid. If there are differences between your application information and your financial documents, you may need to send in corrections on your Student Aid Report (SAR), or your school may send corrections electronically, to have your information reprocessed.

Try to complete verification as soon as possible, so that your financial aid won't be delayed. Your financial aid administrator will help you.

What you should do

1. Collect your and your parent(s)' financial documents (signed Federal income tax forms, W-2 forms, etc.).
2. Talk to your financial aid administrator if you have questions about completing this worksheet.
3. Fill in and sign the worksheet—you and at least one parent.
4. Take the completed worksheet, tax forms, and any other documents your school needs to your financial aid administrator.
5. Your financial aid administrator will compare information on the documents. You may need to make corrections on your SAR and send it back to the application processor.

Your school must review the requested information, under the financial aid program rules (CFR Title 34, Part 668).

A. Student Information

Last name: Jackson
First name: Chris
M.I.: B.
Social security number: 503-01-0004
Address (include apt. no.): 2912 Bluefield Court
Date of birth: 2/10/80
City: Rockville
State: MD
ZIP code: 20906
Phone number (include area code): (301) 111-0000

B. Family Information

List the people that your parent(s) will support between July 1, 1998 and June 30, 1999. Include:

- yourself
- your parent(s)
- your parent(s)' dependent children (if your parent(s) provide more than half support, or if they would be required to give parental information when applying for Federal student aid.)

Include other people as part of your family only if:

- they lived with your parent(s) and got more than half their support from your parent(s) at the time you completed your student aid application

AND

- they will continue to get more than half their support from July 1, 1998 through June 30, 1999.

Write the names of all family members. Also write in the name of the college for any family member who will be attending college at least half-time between July 1, 1998 and June 30, 1999, and will be enrolled in a degree or certificate program. If you need more space, attach a separate page.

Full Name	Age	Relationship	College
Janet Jones	**51**	**Mother**	**Central University**
Chris B. Jackson	18	Self	Chesapeake State Univ.
Sheldon Jackson	48	Father	
Anne Jackson	47	Mother	
Paul Jackson	20	brother	Loyola University
Sarah Jackson	15	sister	
Loren Jackson	12	sister	

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 1840-0132. The time required to complete this information collection is estimated to average twelve minutes, including the time to review instructions, search existing data resources, gather the data needed, and complete and review the information collection. If you have any comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to: U.S. Department of Education, Washington, DC 20202-4651. If you have comments or concerns regarding the status of your individual submission of this form, write directly to: Application and Pell Processing Systems Division, U.S. Department of Education, 600 Independence Avenue, S.W., Washington, DC 20202-5453.

[redacted]

C. Student's Tax Forms and Income Information **Dependent**

1. For non-tax filers and all tax filers (includes the 1997 IRS Form 1040, 1040A, 1040EZ, TeleFile Tax Record, a tax return from Puerto Rico or a foreign income tax return). If you did not keep a copy of the tax return, request an RTFTP printout or Letter 1722 from the Internal Revenue Service or a copy from your tax preparer.

   ☐ Check and attach signed tax return.
   ☐ Check and complete: signed tax return will be mailed to the school by _____________________(date).
   ☐ Check here if you will not file and are not required to file a 1997 U.S. Income Tax Return.

2. Amounts received for child support and other untaxed income.

Sources of untaxed income	Amount

3. If you did not file and are not required to file a 1997 Federal income tax return, list below your employer(s) and any income received in 1997.

Sources (Use the W-2 form or other earnings statements.)	Amount

D. Parent(s)' Tax Forms and Income Information

1. For non-tax filers and all tax filers (includes the 1997 IRS Form 1040, 1040A, 1040EZ, TeleFile Tax Record, a tax return from Puerto Rico or a foreign income tax return). If your parent(s) did not keep a copy of the tax return, request an RTFTP printout or Letter 1722 from the Internal Revenue Service or a copy from the tax preparer.

   ☐ Check and attach signed tax return.
   ☐ Check and complete: signed tax return will be mailed to the school by _____________________(date).
   ☐ Check here if your parent(s) will not file and are not required to file a 1997 U.S. Income Tax Return.

2. Amounts received for child support and other untaxed income.

Sources of untaxed income	Amount

3. If your parent(s) did not file and are not required to file a 1997 Federal income tax return, list below your parent(s)' employer(s) and any income received in 1997.

Sources (Use the W-2 form or other earnings statements.)	Amount

E. Sign this Worksheet

By signing this worksheet, we certify that all the information reported to qualify for Federal student aid is complete and correct. At least one parent must sign.

WARNING: If you purposely give false or misleading information on this worksheet, you may be fined, be sentenced to jail, or both.

Chris A jackson 5/13/98
Student Date

Sheldon Jakson 5.13.98
Father/Stepfather Date

Anne Jackson 5/13/98
Mother/Stepmother Date

U.S. Department of Education

1998-99 Verification Worksheet

Federal Student Aid Programs

FORM APPROVED
OMB NO. 1840-0132
EXP. DATE 12/31/99

DEPENDENT STUDENT

Your application was selected for review in a process called "Verification." In this process, your school will be comparing information from your application with signed copies of your and your parent(s)' 1997 Federal tax forms, or with W-2 forms or other financial documents. The law says we have the right to ask you for this information before awarding Federal aid. If there are differences between your application information and your financial documents, you may need to send in corrections on your Student Aid Report (SAR), or your school may send corrections electronically, to have your information reprocessed.

Try to complete verification as soon as possible, so that your financial aid won't be delayed. Your financial aid administrator will help you.

What you should do

1. Collect your and your parent(s)' financial documents (signed Federal income tax forms, W-2 forms, etc.).
2. Talk to your financial aid administrator if you have questions about completing this worksheet.
3. Fill in and sign the worksheet—you and at least one parent.
4. Take the completed worksheet, tax forms, and any other documents your school needs to your financial aid administrator.
5. Your financial aid administrator will compare information on the documents. You may need to make corrections on your SAR and send it back to the application processor.

Your school must review the requested information, under the financial aid program rules (CFR Title 34, Part 668).

A. Student Information

Last name First name M.I.

Social security number

Address (include apt. no.)

Date of birth

City State ZIP code

Phone number (include area code)

B. Family Information

List the people that your parent(s) will support between July 1, 1998 and June 30, 1999. Include:

- yourself
- your parent(s)
- your parent(s)' dependent children (if your parent(s) provide more than half support, or if they would be required to give parental information when applying for Federal student aid.)

Include other people as part of your family only if:

- they lived with your parent(s) and got more than half their support from your parent(s) at the time you completed your student aid application
  AND
- they will continue to get more than half their support from July 1, 1998 through June 30, 1999.

Write the names of all family members. Also write in the name of the college for any family member who will be attending college at least half-time between July 1, 1998 and June 30, 1999, and will be enrolled in a degree or certificate program. If you need more space, attach a separate page.

Full Name	Age	Relationship	College
Janet Jones	51	Mother	Central University
		Self	

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 1840-0132. The time required to complete this information collection is estimated to average twelve minutes, including the time to review instructions, search existing data resources, gather the data needed, and complete and review the information collection. If you have any comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to: U.S. Department of Education, Washington, DC 20202-4651. If you have comments or concerns regarding the status of your individual submission of this form, write directly to: Application and Pell Processing Systems Division, U.S. Department of Education, 600 Independence Avenue, S.W., Washington, DC 20202-5453.

C. Student's Tax Forms and Income Information — Dependent

1. For non-tax filers and all tax filers (includes the 1997 IRS Form 1040, 1040A, 1040EZ, TeleFile Tax Record, a tax return from Puerto Rico or a foreign income tax return). If you did not keep a copy of the tax return, request an RTFTP printout or Letter 1722 from the Internal Revenue Service or a copy from your tax preparer.

   ☐ Check and attach signed tax return.
   ☐ Check and complete: signed tax return will be mailed to the school by ____________________(date).
   ☐ Check here if you will not file and are not required to file a 1997 U.S. Income Tax Return.

2. Amounts received for child support and other untaxed income.

Sources of untaxed income	Amount

3. If you did not file and are not required to file a 1997 Federal income tax return, list below your employer(s) and any income received in 1997.

Sources (Use the W-2 form or other earnings statements.)	Amount

D. Parent(s)' Tax Forms and Income Information

1. For non-tax filers and all tax filers (includes the 1997 IRS Form 1040, 1040A, 1040EZ, TeleFile Tax Record, a tax return from Puerto Rico or a foreign income tax return). If your parent(s) did not keep a copy of the tax return, request an RTFTP printout or Letter 1722 from the Internal Revenue Service or a copy from the tax preparer.

   ☐ Check and attach signed tax return.
   ☐ Check and complete: signed tax return will be mailed to the school by ____________________(date).
   ☐ Check here if your parent(s) will not file and are not required to file a 1997 U.S. Income Tax Return.

2. Amounts received for child support and other untaxed income.

Sources of untaxed income	Amount

3. If your parent(s) did not file and are not required to file a 1997 Federal income tax return, list below your parent(s)' employer(s) and any income received in 1997.

Sources (Use the W-2 form or other earnings statements.)	Amount

E. Sign this Worksheet

By signing this worksheet, we certify that all the information reported to qualify for Federal student aid is complete and correct. At least one parent must sign.

WARNING: If you purposely give false or misleading information on this worksheet, you may be fined, be sentenced to jail, or both.

____
Student Date

______________________________ ______________________________
Father/Stepfather Date Mother/Stepmother Date

Do not mail this worksheet to your application processor. Take it to your Financial Aid Administrator. Don't forget your tax forms.

U.S. Department
of Education

1998-99 Verification Worksheet

Federal Student Aid Programs

FORM APPROVED
OMB NO. 1840-0132
EXP. DATE 12/31/99

INDEPENDENT STUDENT

Your application was selected for review in a process called "Verification." In this process, your school will be comparing information from your application with signed copies of your (and your spouse's, if you are married) 1997 Federal tax forms, or with W-2 forms or other financial documents. The law says we have the right to ask you for this information before awarding Federal aid. If there are differences between your application information and your financial documents, you may need to send in corrections on your Student Aid Report (SAR), or your school may send corrections electronically, to have your information reprocessed.

Try to complete verification as soon as possible, so that your financial aid won't be delayed. Your financial aid administrator will help you.

What you should do

1. Collect your (and your spouse's) financial documents (signed Federal income tax forms, W-2 forms, etc.).
2. Talk to your financial aid administrator if you have questions about completing this worksheet.
3. Fill in and sign the worksheet.
4. Take the completed worksheet, tax forms, and any other documents your school needs to your financial aid administrator.
5. Your financial aid administrator will compare information on the documents. You may need to make corrections on your SAR and send it back to the application processor.

Your school must review the requested information, under the financial aid program rules (CFR Title 34, Part 668).

A. Student Information

Last name First name M.I.

Social security number

Address (include apt. no.)

Date of birth

City State ZIP code

Phone number (include area code)

B. Family Information

List the people that you (and your spouse) will support between July 1, 1998 and June 30, 1999. Include:

- yourself
- your spouse
- your dependent children (if you provide more than half of their support).

Include other people as part of your family only if:

- they lived with you and got more than half their support from you (or your spouse) at the time you completed your student aid application
AND
- they will continue to get more than half their support from you from July 1, 1998 through June 30, 1999.

Write the names of all family members. Also write in the name of the college for any family member who will be attending college at least half-time between July 1, 1998 and June 30, 1999, and will be enrolled in a degree or certificate program. If you need more space, attach a separate page.

Full Name	Age	Relationship	College
Martha Jones	24	Wife	City University
		Self	

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 1840-0132. The time required to complete this information collection is estimated to average twelve minutes, including the time to review instructions, search existing data resources, gather the data needed, and complete and review the information collection. If you have any comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to: U.S. Department of Education, Washington, DC 20202-4651. If you have comments or concerns regarding the status of your individual submission of this form, write directly to: Application and Pell Processing Systems Division, U.S. Department of Education, 600 Independence Avenue, S.W., Washington, DC 20202-5453.

C. Student's Tax Forms and Income Information — Independent

1. **For non-tax filers and all tax filers (includes the 1997 IRS Form 1040, 1040A, 1040EZ, TeleFile Tax Record, a tax return from Puerto Rico or a foreign income tax return). If you did not keep a copy of the tax return, request an RTFTP printout or Letter 1722 from the Internal Revenue Service or a copy from your tax preparer.**

☐ Check and attach signed tax return.
☐ Check and complete: signed tax return will be mailed to the school by ____________________(date).
☐ Check here if you will not file and are not required to file a 1997 U.S. Income Tax Return.

2. Amounts received for child support and other untaxed income.

Sources of untaxed income	Amount

3. If you did not file and are not required to file a 1997 Federal income tax return, list below your employer(s) and any income received in 1997.

Sources (Use the W-2 form or other earnings statements.)	Amount

D. Spouse's Tax Forms and Income Information (If student is married)

1. For non-tax filers and all tax filers (includes the 1997 IRS Form 1040, 1040A, 1040EZ, TeleFile Tax Record, a tax return from Puerto Rico or a foreign income tax return). If your spouse did not keep a copy of the tax return, request one from the Internal Revenue Service or from the tax preparer.

☐ Check and attach signed tax return.
☐ Check and complete: signed tax return will be mailed to the school by ____________________(date).
☐ Check here if you will not file and are not required to file a 1997 U.S. Income Tax Return.

2. Amounts received for child support and other untaxed income.

Sources of untaxed income	Amount

3. If your spouse did not file and is not required to file a 1997 Federal income tax return, list below your spouse's employer(s) and any income received in 1997.

Sources (Use the W-2 form or other earnings statements.)	Amount

E. Sign this Worksheet

By signing this worksheet, I (we) certify that all the information reported to qualify for Federal student aid is complete and correct. If married, spouse's signature is optional.

WARNING: If you purposely give false or misleading information on this worksheet, you may be fined, be sentenced to jail, or both.

____
Student Date

____
Spouse Date

Do not mail this worksheet to your application processor. Take it to your Financial Aid Administrator. Don't forget your tax forms.

BACK AT THE OFFICE

Back at the office, you should:

- Read *The Verification Guide*.
- Establish written policies and procedures using *The Verification Guide* guidelines.
- Discuss the verification process with financial aid administrators at other schools.
- Create forms for managing the verification process.
- ____
- ____
- ____

1998-99 VERIFICATION WORKING PAPER

Student: Chris Jackson SS#: 503-01-0004 Dependency Status: Dep.

Type of return (parent/s): 1040 [✓ 1040A] 1040EZ Type of return (student/spouse): ~~1040 1040A 1040EZ~~

	Item Reported (Check box if match or not applicable)		Amount Reported & SAR Line Item		Amount Verified & Source Line Item	
	Household Size	X	6	44/49	6	Worksheet
	Number in College	X	2	45/50	2	Worksheet
	Parent Adjusted Gross Income		23,461	65	23,261	1040-32; 1040A-16; 1040EZ-4
	Parent Income Tax Paid		369	66	69	1040-46; 1040A-25; 1040EZ-10
	Student/Spouse Adjusted Gross Income	X	0	53	0	1040-32; 1040A-16; 1040EZ-4
	Student/Spouse Income Tax Paid	X	0	54	0	1040-46; 1040A-25; 1040EZ-10
Non-tax-filers	Student Earnings	X	0	55	0	Worksheet Line items for reference only. 1040-7+12+18 1040A-7 1040EZ-1
	Spouse Earnings	X	0	56	0	
	Mother Earnings	X	0	67	0	
	Father Earnings	X	0	68	0	
	Untaxed Income:					
	*Social Security Benefits	X	0	58/70	0	Worksheet or SSA statement
	**Child Support	X	0	60/72	0	Worksheet
	IRA / KEOGH Deductions	X	0	***61/73	0	1040-23+28; 1040A-15
	Foreign Income Exclusion	X	0	***61/73	0	IRS 2555-43; 2555EZ-18
	Earned Income Credit	X	0	57/69	0	1040-56a; 1040A-29c; 1040EZ-8a
	Interest on Tax-Free Bonds	X	0	***61/73	0	1040-8b; 1040A-8b

* Verify if comment on SAR or reason to believe benefits were reported incorrectly or received and not reported.

** Verify if reported or if reason to believe benefit was received and not reported.

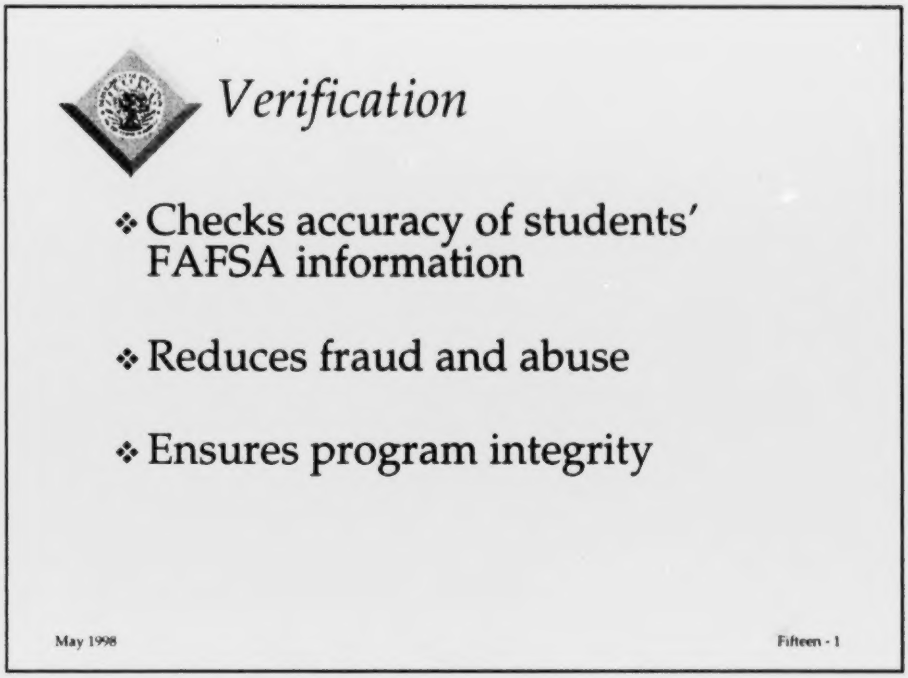
*** Combined for this SAR item. Broken out on FAFSA worksheet #2.

Verification Status Code: N A W T C [✓ R] S

Net error of items not checked: $ 500
($400 or less)

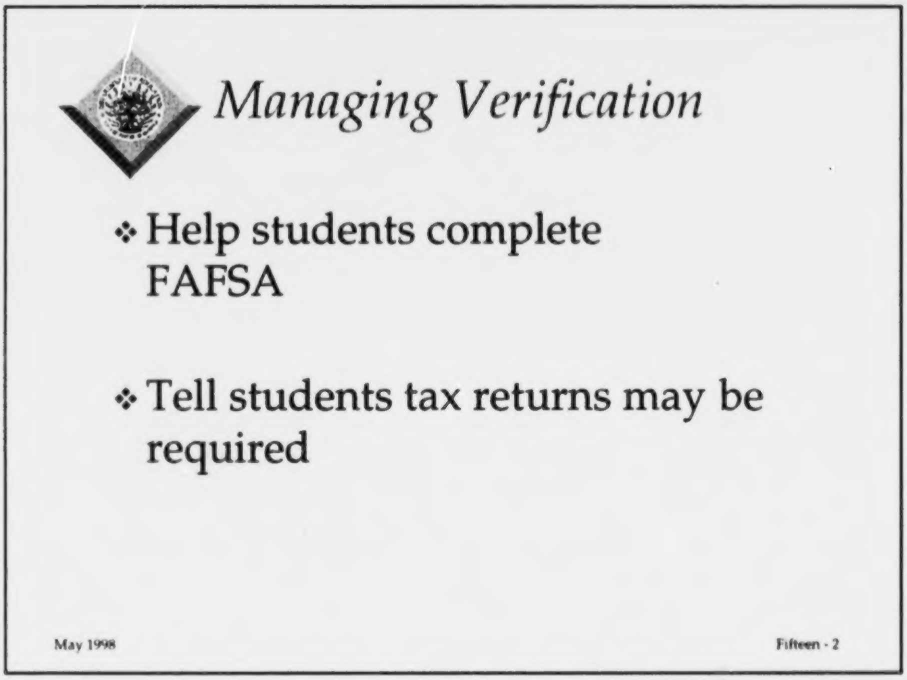
NOTES: Student reported income tax paid from W-2 instead of tax form.

Verification Performed By: Doris Jones Date: 5/20/98



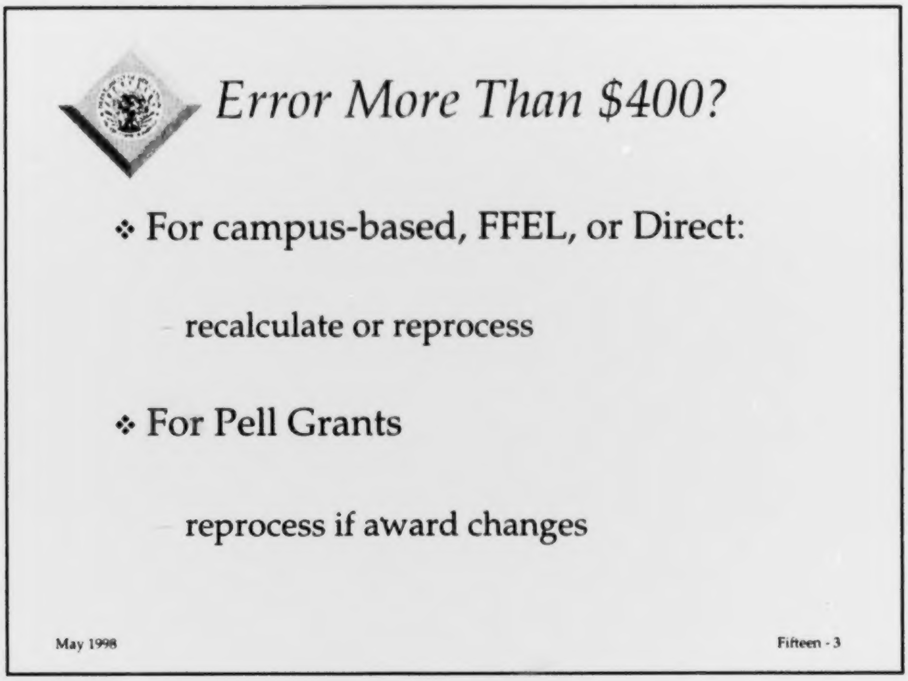
Verification

- Checks accuracy of students' FAFSA information
- Reduces fraud and abuse
- Ensures program integrity



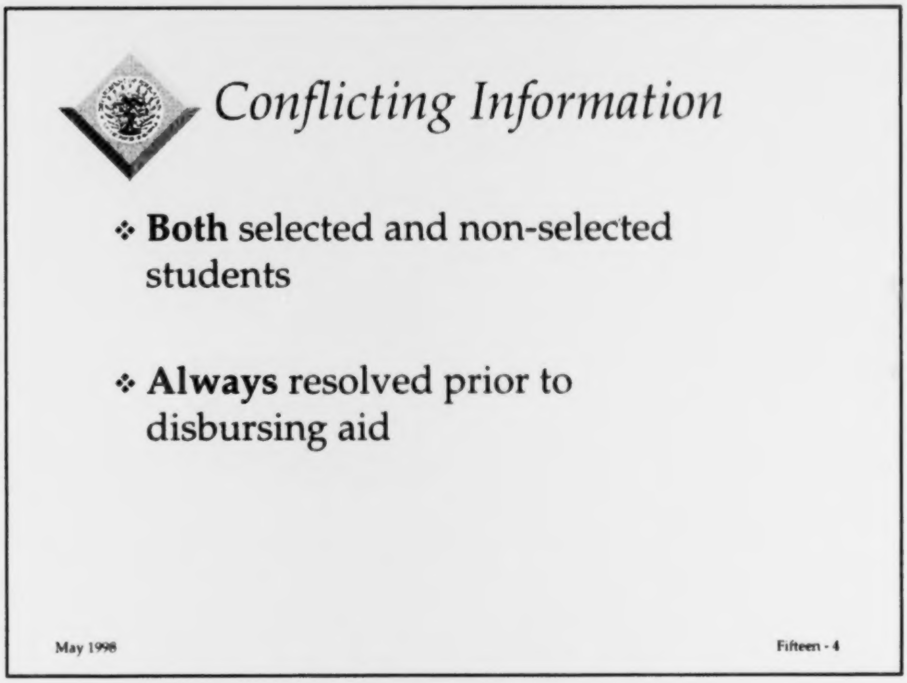
Managing Verification

- Help students complete FAFSA
- Tell students tax returns may be required



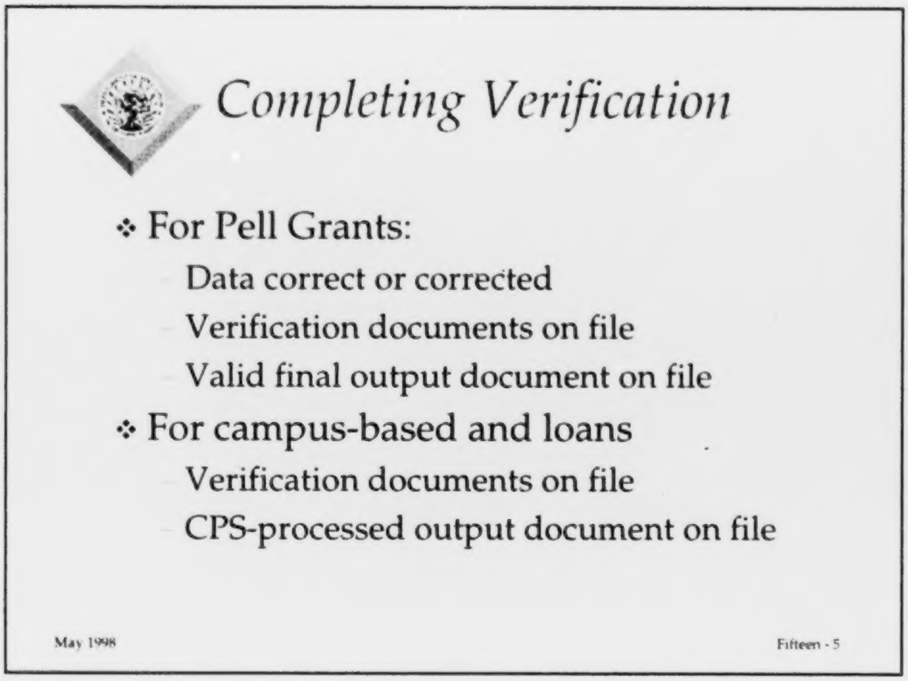
Error More Than $400?

- For campus-based, FFEL, or Direct:
  - recalculate or reprocess
- For Pell Grants
  - reprocess if award changes



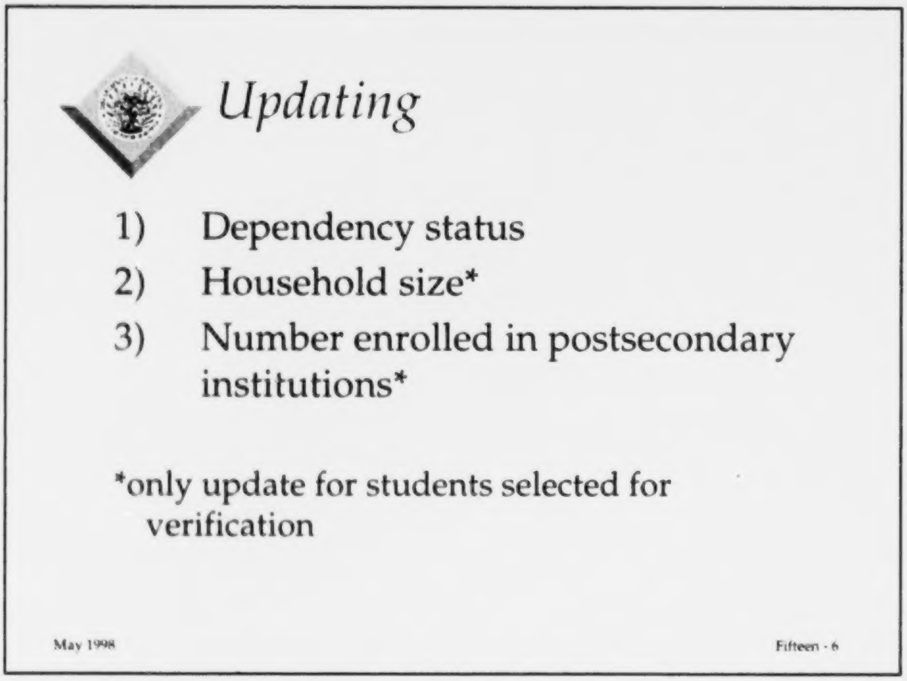
Conflicting Information

- **Both** selected and non-selected students
- **Always** resolved prior to disbursing aid



Completing Verification

- For Pell Grants:
  - Data correct or corrected
  - Verification documents on file
  - Valid final output document on file
- For campus-based and loans
  - Verification documents on file
  - CPS-processed output document on file



Updating

1) Dependency status
2) Household size*
3) Number enrolled in postsecondary institutions*

*only update for students selected for verification

Session 16 - Federal Need Analysis

By the end of this session, you will be able to:

- ***perform need analysis and***
- ***properly use an estimated EFC, official EFC, and school-recalculated EFC.***

RESOURCES:

- *The 1998-99 Federal Student Financial Aid Handbook,* Chapter 2
- *The 1998-99 EFC Formula Book*

SESSION CONTENTS:

1. Need to Know
    - EFC Formula Worksheets and Tables
    - Chart — Disbursements and EFC
2. Practice
    - Precalculation Questions
    - Chris Jackson's Need Analysis Worksheets
3. Back at the Office
4. Answer Key

BEST COPY AVAILABLE

1998-99 EFC FORMULA A: DEPENDENT STUDENT

REGULAR WORKSHEET
Page 1
A

PARENTS' INCOME IN 1997

1. Parents' Adjusted Gross Income (FAFSA/SAR #65)	
2. a. Father's income earned from work (FAFSA/SAR #67) ______	
2. b. Mother's income earned from work (FAFSA/SAR #68) + ______	
Total parents' income earned from work = 2.	
3. Parents' Taxable Income (If tax filers, enter the amount from line 1 above. If non-tax filers, enter the amount from line 2.)*	
4. Untaxed income and benefits:	
• Earned Income Credit (tax filers only) (FAFSA/SAR #69) ______	
• Social Security benefits (FAFSA/SAR #70) + ______	
• AFDC/ADC (FAFSA/SAR #71) + ______	
• Child support received (FAFSA/SAR #72) + ______	
• Other untaxed income (FAFSA/SAR #73) + ______	
Total untaxed income and benefits = 4.	
5. Taxable and untaxed income (sum of line 3 and line 4)	
6. Exclusions (FAFSA/SAR #74) -	
7. **TOTAL INCOME** (line 5 minus line 6) May be a negative number. =	

ALLOWANCES AGAINST PARENTS' INCOME

8. 1997 U.S. income tax paid (FAFSA/SAR #66) (tax filers only); if negative, enter zero.	
9. State and other tax allowance (Table A1. If negative, enter zero.) +	
10. Father's Social Security tax (Table A2) +	
11. Mother's Social Security tax (Table A2) +	
12. Income protection allowance (Table A3) +	
13. Employment expense allowance:	
• Two working parents: 35% of the lesser of the earned incomes, or $2,800, whichever is less.	
• One parent families: 35% of earned income, or $2,800, whichever is less	
• Two-parent families, one working parent: zero +	
14. TOTAL ALLOWANCES =	

AVAILABLE INCOME

Total income (from line 7)	
Total allowances (from line 14) -	
15. AVAILABLE INCOME (AI) May be a negative number. =	

PARENTS' CONTRIBUTION FROM ASSETS

16. Cash, savings, & checking (FAFSA/SAR #83)	
17. Other real estate & investments value ** (FAFSA/SAR #84) ______	
Other real estate & investments debt ** (FAFSA/SAR #85) - ______	
Net worth of real estate & investments If negative, enter zero. = 17.	
18. Business value ** (FAFSA/SAR #86) ______	
Business debt ** (FAFSA/SAR #87) - ______	
Net worth of business If negative, enter zero = 18. ______	
19. Investment farm value ** (FAFSA/SAR #88) ______	
Investment farm debt ** (FAFSA/SAR #89) - ______	
Net worth of farm If negative, enter zero. If the family resides on the farm, enter zero. = 19. ______	
20. Net worth of business/farm (sum of lines 18 and 19) 20. ______	
21. Adjusted net worth of business/farm (Calculate using Table A4.) +	
22. **Net worth** (sum of lines 16, 17, and 21) =	
23. Education savings and asset protection allowance (Table A5) -	
24. **Discretionary net worth** (line 22 minus line 23) =	
25. Asset conversion rate X	.12
26. **CONTRIBUTION FROM ASSETS** If negative, enter zero. =	

PARENTS' CONTRIBUTION

Available income (AI) (from line 15)	
Contribution from assets (from line 26) +	
27. **Adjusted available income (AAI)** May be a negative number. =	
28. **Total parents' contribution from AAI** (Calculate using Table A6; if negative, enter zero.)	
29. **Number in college in 1998-99** (FAFSA/SAR #50) ÷	
30. **PARENTS' CONTRIBUTION** (standard contribution for 9-month enrollment)	

---

* STOP HERE if both of the following are true: line 3 is $12,000 or less, *and* the parents are eligible to file a 1997 IRS Form 1040A or 1040EZ (they are not required to file a 1997 Form 1040), or they are not required to file any income tax return—the student's EFC is zero.

** Do not include the family's home.

REGULAR
WORKSHEET
Page 2

A

STUDENT'S INCOME IN 1997

31. Adjusted Gross Income (FAFSA/SAR #53)	
32. Income earned from work (FAFSA/SAR #55)	
33. Taxable Income (If tax filer, enter the amount from line 31. If non-tax filer, enter the amount from line 32.)	▨
34. Untaxed income and benefits:	▨
• Social Security benefits (FAFSA/SAR #58) ________	▨
• Other untaxed income (FAFSA/SAR #61) + ________	▨
Total untaxed income and benefits = **34.**	
35. Taxable and untaxed income (sum of line 33 and line 34)	
36. Exclusions (FAFSA/SAR #62) -	
37. TOTAL INCOME (line 35 minus line 36) May be a negative number. =	

ALLOWANCES AGAINST STUDENT INCOME

38. 1997 U.S. income tax paid (FAFSA/SAR #54) (tax filers only); if negative, enter zero.	
39. State and other tax allowance (Table A7. If negative, enter zero.) +	
40. Social Security tax allowance (Table A2) +	
41. Income protection allowance +	2,200
42. TOTAL ALLOWANCES =	

STUDENT CONTRIBUTION FROM INCOME

Total income (from line 37)	
Total allowances (from line 42) -	
43. Available income (AI) =	
44. Assessment of AI X	.50
45. STUDENT CONTRIBUTION FROM AI = If negative, enter zero.	

STUDENT CONTRIBUTION FROM ASSETS

46. Cash, savings, & checking (FAFSA/SAR #75)	
47. Other real estate & investments value * (FAFSA/SAR #76) ________	▨
Other real estate & investments debt * (FAFSA/SAR #77) - ________	▨
Net worth of real estate & investments If negative, enter zero. = **47.**	
48. Business value * (FAFSA/SAR #78) ________	▨
Business debt * (FAFSA/SAR #79) - ________	▨
Net worth of business If negative, enter zero = **48.**	
49. Investment farm value * (FAFSA/SAR #80) ________	▨
Investment farm debt * (FAFSA/SAR #81) - ________	▨
Net worth of farm If negative, enter zero. If the family resides on the farm, enter zero. = **49.**	
50. Net worth (sum of lines 46 through 49) =	
51. Assessment rate X	.35
52. CONTRIBUTION FROM ASSETS =	

EXPECTED FAMILY CONTRIBUTION

PARENTS' CONTRIBUTION (from line 30)	
STUDENT CONTRIBUTION FROM AI (from line 45) +	
STUDENT CONTRIBUTION FROM ASSETS (from line 52) +	
53. EXPECTED FAMILY CONTRIBUTION =	

* Do not include the student's home.

NOTE: *Use this additional page to prorate the EFC only if the student will be enrolled for other than 9 months and only to determine the student's need for campus-based aid, a subsidized Federal Stafford Loan, or a subsidized Federal Direct Stafford Loan. Do not use this page to prorate the EFC for a Federal Pell Grant. The EFC for the Federal Pell Grant Program is the 9-month EFC used in conjunction with the cost of attendance to determine a Federal Pell Grant award from the Payment or Disbursement Schedule.*

Calculation of Parents' Contribution for a Student Enrolled for LESS than 9 Months

Parents' contribution (standard contribution for 9-month enrollment, from line 30)		
Divide by 9	÷	9
Parents' contribution per month	=	
Multiply by number of months enrollment	X	
Parents' contribution for LESS than 9-month enrollment *	=	

Calculation of Parents' Contribution for a Student Enrolled MORE than 9 Months

a. Parents' adjusted available income (AAI) (from line 27—may be a negative number)		
b. Difference between the income protection allowance for a family of four and a family of five, with one in college	+	3,330
c. Alternate parents' AAI for more than 9-month enrollment (line a + line b)	=	
d. Total parents' contribution from AAI (calculate from Table A6, using alternate AAI)		
e. Number in college (FAFSA/SAR #52)	÷	
f. Alternate parents' contribution for student	=	
g. Standard parents' contribution for the student for 9-month enrollment (from line 30)	-	
h. Difference (line f minus line g)	=	
i. Divide line h by 12 months	÷	12
j. Parents' contribution per month	=	
k. Number of months student will be enrolled that exceed 9	X	
l. Adjustment to parents' contribution for months that exceed 9 (multiply line j by line k)	=	
m. Standard parents' contribution for 9-month enrollment (from line 30)	+	
n. Parents' contribution for MORE than 9-month enrollment *	=	

* Substitute the parents' contribution for LESS or MORE than 9-month enrollment in place of the parents' contribution for 9-month enrollment on Worksheet A, line 30.

1998-99 EFC FORMULA A: DEPENDENT STUDENT

SIMPLIFIED WORKSHEET
Page 1
A

PARENTS' INCOME IN 1997

1. Parents' Adjusted Gross Income (FAFSA/SAR #65)	
2. a. Father's income earned from work (FAFSA/SAR #67) ________	
2. b. Mother's income earned from work (FAFSA/SAR #68) + ________	
Total parents' income earned from work = 2.	
3. Parents' Taxable Income (If tax filers, enter the amount from line 1 above. If non-tax filers, enter the amount from line 2.)*	
4. Untaxed income and benefits:	
• Earned Income Credit (tax filers only) (FAFSA/SAR #68) ________	
• Social Security benefits (FAFSA/SAR #70) + ________	
• AFDC/ADC (FAFSA/SAR #71) + ________	
• Child support received (FAFSA/SAR #72) + ________	
• Other untaxed income (FAFSA/SAR #73) + ________	
Total untaxed income and benefits = 4.	
5. Taxable and untaxed income (sum of line 3 and line 4)	
6. Exclusions (FAFSA/SAR #74) -	
7. TOTAL INCOME (line 5 minus line 6) May be a negative number. =	

ALLOWANCES AGAINST PARENTS' INCOME

8. 1997 U.S. income tax paid (FAFSA/SAR #66) (tax filers only); if negative, enter zero.	
9. State and other tax allowance (Table A1. If negative, enter zero.) +	
10. Father's Social Security tax (Table A2) +	
11. Mother's Social Security tax (Table A2) +	
12. Income protection allowance (Table A3) +	
13. Employment expense allowance:	
• Two working parents: 35% of the lesser of the earned incomes, or $2,800, whichever is less.	
• One parent families: 35% of earned income, or $2,800, whichever is less	
• Two-parent families, one working parent: zero +	
14. TOTAL ALLOWANCES =	

AVAILABLE INCOME

Total income (from line 7)	
Total allowances (from line 14) -	
15. AVAILABLE INCOME (AI) May be a negative number. =	

PARENTS' CONTRIBUTION FROM ASSETS

16. Cash, savings, & checking (FAFSA/SAR #83)		
17. Other real estate & investments value ** (FAFSA/SAR #84) ________		
Other real estate & investments debt ** (FAFSA/SAR #85) - ________		
Net worth of real estate & investments If negative, enter zero. = 17.		
18. Business value ** (FAFSA/SAR #86) ________		
Business debt ** (FAFSA/SAR #87) - ________		
Net worth of business If negative, enter zero = 18.		
19. Investment farm value ** (FAFSA/SAR #88) ________		
Investment farm debt ** (FAFSA/SAR #89) - ________		
Net worth of farm If negative, enter zero. If the family resides on the farm, enter zero. = 19.		
20. Net worth of business/farm (sum of lines 18 and 19) 20.		
21. Adjusted net worth of business/farm (Calculate using Table A4.) +		
22. Net worth (sum of lines 16, 17, and 21) =		
23. Education savings and asset protection allowance (Table A5) -		
24. Discretionary net worth (line 22 minus line 23) =		
25. Asset conversion rate X		.12
26. CONTRIBUTION FROM ASSETS If negative, enter zero. =		

PARENTS' CONTRIBUTION

Available income (AI) (from line 15)	
Contribution from assets (from line 26) +	
27. Adjusted available income (AAI) May be a negative number. =	
28. Total parents' contribution from AAI (Calculate using Table A6; if negative, enter zero.)	
29. Number in college in 1998-99 (FAFSA/SAR #50) ÷	
30. PARENTS' CONTRIBUTION (standard contribution for 9-month enrollment)	

* STOP HERE if both of the following are true: line 3 is $12,000 or less, *and* the parents are eligible to file a 1997 IRS Form 1040A or 1040EZ (they are not required to file a 1997 Form 1040, or they are not required to file any income tax return)—the student's EFC is zero.

** Do not include the family's home.

BEST COPY AVAILABLE

SIMPLIFIED WORKSHEET
Page 2
A

STUDENT'S INCOME IN 1997

31. Adjusted Gross Income (FAFSA/SAR #53)		
32. Income earned from work (FAFSA/SAR #55)		
33. Taxable Income (If tax filer, enter the amount from line 31. If non-tax filer, enter the amount from line 32.)		
34. Untaxed income and benefits:		
• Social Security benefits (FAFSA/SAR #58) ______		
• Other untaxed income (FAFSA/SAR #61) + ______		
Total untaxed income and benefits	= 34.	
35. Taxable and untaxed income (sum of line 33 and line 34)		
36. Exclusions (FAFSA/SAR #62)	-	
37. TOTAL INCOME (line 35 minus line 36) May be a negative number.	=	

ALLOWANCES AGAINST STUDENT INCOME

38. 1997 U.S. income tax paid (FAFSA/SAR #54) (tax filers only); if negative, enter zero.		
39. State and other tax allowance (Table A7. If negative, enter zero.)	+	
40. Social Security tax allowance (Table A2)	+	
41. Income protection allowance	+	2,200
42. TOTAL ALLOWANCES	=	

STUDENT CONTRIBUTION FROM INCOME

Total income (from line 37)		
Total allowances (from line 42)	-	
43. Available income (AI)	=	
44. Assessment of AI	X	.50
45. STUDENT CONTRIBUTION FROM AI If negative, enter zero.	=	

STUDENT CONTRIBUTION FROM ASSETS

46. Cash, savings, & checking (FAFSA/SAR #75)		
47. Other real estate & investments value * (FAFSA/SAR #76) ______		
Other real estate & investments debt * (FAFSA/SAR #77) - ______		
Net worth of real estate & investments If negative, enter zero.	= 47.	
48. Business value * (FAFSA/SAR #78) ______		
Business debt * (FAFSA/SAR #79) - ______		
Net worth of business If negative, enter zero	= 48.	
49. Investment farm value * (FAFSA/SAR #80) ______		
Investment farm debt * (FAFSA/SAR #81) - ______		
Net worth of farm If negative, enter zero. If the family resides on the farm, enter zero.	= 49.	
50. Net worth (sum of lines 46 through 49)	=	
51. Assessment rate	X	.35
52. CONTRIBUTION FROM ASSETS	=	

EXPECTED FAMILY CONTRIBUTION

PARENTS' CONTRIBUTION (from line 30)		
STUDENT CONTRIBUTION FROM AI (from line 45)	+	
STUDENT CONTRIBUTION FROM ASSETS (from line 52)	+	
53. EXPECTED FAMILY CONTRIBUTION	=	

* Do not include the student's home.

NOTE: *Use this additional page to prorate the EFC only if the student will be enrolled for other than 9 months and only to determine the student's need for campus-based aid, a subsidized Federal Stafford Loan, or a subsidized Federal Direct Stafford Loan. Do not use this page to prorate the EFC for a Federal Pell Grant. The EFC for the Federal Pell Grant Program is the 9-month EFC used in conjunction with the cost of attendance to determine a Federal Pell Grant award from the Payment or Disbursement Schedule.*

Calculation of Parents' Contribution for a Student Enrolled for LESS than 9 Months

Parents' contribution (standard contribution for 9-month enrollment, from line 30)		
Divide by 9	÷	9
Parents' contribution per month	=	
Multiply by number of months enrollment	X	
Parents' contribution for LESS than 9-month enrollment *	=	

Calculation of Parents' Contribution for a Student Enrolled MORE than 9 Months

a.	**Parents' adjusted available income (AAI) (from line 27—may be a negative number)**		
b.	Difference between the income protection allowance for a family of four and a family of five, with one in college	+	3,330
c.	Alternate parents' AAI for more than 9-month enrollment (line a + line b)	=	
d.	Total parents' contribution from AAI (calculate from Table A6, using alternate AAI)		
e.	Number in college (FAFSA/SAR #52)	÷	
f.	Alternate parents' contribution for student	=	
g.	Standard parents' contribution for the student for 9-month enrollment (from line 30)	-	
h.	Difference (line f minus line g)	=	
i.	Divide line h by 12 months	÷	12
j.	Parents' contribution per month	=	
k.	Number of months student will be enrolled that exceed 9	X	
l.	Adjustment to parents' contribution for months that exceed 9 (multiply line j by line k)	=	
m.	Standard parents' contribution for 9-month enrollment (from line 30)	+	
n.	**Parents' contribution for MORE than 9-month enrollment ***	=	

* Substitute the parents' contribution for LESS or MORE than 9-month enrollment in place of the parents' contribution for 9-month enrollment on Worksheet A, line 30.

Table A1: State and Other Tax Allowance

for Worksheet A (parents only)

STATE	PERCENT OF TOTAL INCOME	
	$0-14,999	$15,000 or more
Alabama	5%	4%
Alaska	3%	2%
American Samoa	4%	3%
Arizona	6%	5%
Arkansas	6%	5%
California	8%	7%
Canada	4%	3%
Colorado	7%	6%
Connecticut	6%	5%
Delaware	8%	7%
District of Columbia	10%	9%
Federated States of Micronesia	4%	3%
Florida	4%	3%
Georgia	7%	6%
Guam	4%	3%
Hawaii	8%	7%
Idaho	7%	6%
Illinois	6%	5%
Indiana	6%	5%
Iowa	8%	7%
Kansas	7%	6%
Kentucky	7%	6%
Louisiana	4%	3%
Maine	9%	8%
Marshall Islands	4%	3%
Maryland	9%	8%
Massachusetts	9%	8%
Mexico	4%	3%
Michigan	9%	8%
Minnesota	9%	8%
Mississippi	5%	4%
Missouri	6%	5%
Montana	8%	7%
Nebraska	8%	7%
Nevada	3%	2%
New Hampshire	7%	6%
New Jersey	8%	7%
New Mexico	6%	5%
New York	11%	10%
North Carolina	8%	7%
North Dakota	6%	5%
Northern Mariana Islands	4%	3%
Ohio	8%	7%
Oklahoma	6%	5%
Oregon	10%	9%
Palau	4%	3%
Pennsylvania	7%	6%
Puerto Rico	4%	3%
Rhode Island	9%	8%
South Carolina	8%	7%
South Dakota	4%	3%
Tennessee	3%	2%
Texas	3%	2%
Utah	8%	7%
Vermont	8%	7%
Virgin Islands	4%	3%
Virginia	8%	7%
Washington	4%	3%
West Virginia	6%	5%
Wisconsin	10%	9%
Wyoming	3%	2%
Blank or invalid State	4%	3%
OTHER	4%	3%

Multiply parents' total income (from Worksheet A, line 7) by the appropriate rate from the table above to get the "state and other tax allowance." Use the parents' STATE OF LEGAL RESIDENCE (FAFSA/SAR #47). If this item is blank or invalid, use the student's STATE OF LEGAL RESIDENCE (FAFSA/SAR #11). If both items are blank or invalid, use the STATE in the student's mailing address (FAFSA/SAR #6). If all three items are blank or invalid, use the rate for a blank or invalid state above.

Table A2: Social Security Tax

Calculate separately the Social Security tax of father, mother, and student.

Income Earned from Work *	Social Security Tax
$0 - $65,400	7.65% of income
$65,401 or greater	$5,003.10 + 1.45% of amount over $65,400

* Father's 1997 income earned from work is FAFSA/SAR #67.
Mother's 1997 income earned from work is FAFSA/SAR #68.
Student's 1997 income earned from work is FAFSA/SAR #55.
Social Security tax will never be less than zero.

Table A3: Income Protection Allowance

Number in parents' household, including student (FAFSA/SAR #49)	Number of college students in household (FAFSA/SAR #50)				
	1	2	3	4	5
2	$12,030	$9,980	——	——	——
3	14,990	12,940	$10,880	——	——
4	18,510	16,450	14,400	$12,340	——
5	21,840	19,780	17,730	15,670	$13,630
6	25,550	23,490	21,440	19,380	17,330

NOTE: For each additional family member, add $2,880.
For each additional college student, subtract $2,050.

Table A4: Business/Farm Net Worth Adjustment

for Worksheet A (parents only)

If the net worth of a business or farm is—	Then the adjusted net worth is—
Less than $1	$0
$1 to $85,000	40% of net worth of business & farm
$85,001 to $255,000	$ 34,000 + 50% of excess over $85,000
$255,001 to $430,000	$119,000 + 60% of excess over $255,000
$430,001 or more	$224,000 + 100% of excess over $430,000

Table A5: Education Savings and Asset Protection Allowance

for Worksheet A (parents only)

AGE OF OLDER PARENT *	Allowance if there are two parents	Allowance if there is only one parent	AGE OF OLDER PARENT *	Allowance if there are two parents	Allowance if there is only one parent
25 or less..	0	0	45	41,200	27,400
26	2,400	1,600	46	42,300	28,100
27	4,800	3,300	47	43,300	28,800
28	7,300	4,900	48	44,400	29,300
29	9,700	6,600	49	45,500	30,000
30	12,100	8,200	50	46,700	30,700
31	14,500	9,800	51	48,100	31,500
32	16,900	11,500	52	49,400	32,200
33	19,400	13,100	53	50,900	33,000
34	21,800	14,800	54	52,100	33,800
35	24,200	16,400	55	53,700	34,700
36	26,600	18,000	56	55,400	35,600
37	29,000	19,700	57	57,100	36,400
38	31,500	21,300	58	58,800	37,500
39	33,900	23,000	59	60,600	38,500
40	36,300	24,600	60	62,400	39,400
41	37,300	25,200	61	64,500	40,500
42	38,200	25,700	62	66,800	41,700
43	39,200	26,300	63	68,700	42,900
44	40,200	26,900	64	71,100	44,000
			65 or more	73,500	45,500

AGE OF OLDER PARENT is FAFSA/SAR #82; if blank, use age 45 on the table.

Table A6: Parents' Contribution From AAI

If parents' AAI is—	The parents' contribution from AAI is—
Less than -$3,409	-$750
-$3,409 to $10,800	22% of AAI
$10,801 to $13,500	$2,376 + 25% of AAI over $10,800
$13,501 to $16,200	$3,051 + 29% of AAI over $13,500
$16,201 to $19,000	$3,834 + 34% of AAI over $16,200
$19,001 to $21,700	$4,786 + 40% of AAI over $19,000
$21,701 or more	$5,866 + 47% of AAI over $21,700

Table A7: State and Other Tax Allowance

for Worksheet A (student only)

Alabama	3%
Alaska	0%
American Samoa	2%
Arizona	3%
Arkansas	4%
California	5%
Canada	2%
Colorado	4%
Connecticut	2%
Delaware	5%
District of Columbia	7%
Federated States of Micronesia	2%
Florida	1%
Georgia	4%
Guam	2%
Hawaii	6%
Idaho	5%
Illinois	2%
Indiana	4%
Iowa	5%
Kansas	4%
Kentucky	5%
Louisiana	2%
Maine	5%
Marshall Islands	2%
Maryland	6%
Massachusetts	5%
Mexico	2%
Michigan	4%
Minnesota	6%
Mississippi	3%
Missouri	3%
Montana	5%
Nebraska	4%
Nevada	0%
New Hampshire	1%
New Jersey	3%
New Mexico	4%
New York	7%
North Carolina	5%
North Dakota	2%
Northern Mariana Islands	2%
Ohio	5%
Oklahoma	4%
Oregon	6%
Palau	2%
Pennsylvania	3%
Puerto Rico	2%
Rhode Island	4%
South Carolina	5%
South Dakota	0%
Tennessee	0%
Texas	0%
Utah	5%
Vermont	4%
Virgin Islands	2%
Virginia	4%
Washington	0%
West Virginia	4%
Wisconsin	5%
Wyoming	0%
Blank or Invalid State	2%
OTHER	2%

Multiply the total income of student (Worksheet A, line 37) by the appropriate rate from the table above to get the "state and other tax allowance." Use the student's STATE OF LEGAL RESIDENCE (FAFSA/SAR #11). If this item is blank or invalid, use the STATE in student's mailing address (FAFSA/SAR #6). If both items are blank or invalid, use the parents' STATE OF LEGAL RESIDENCE (FAFSA/SAR #47). If all three items are blank or invalid, use the rate for a blank or invalid state above.

1998-99 EFC FORMULA B: INDEPENDENT STUDENT
Without Dependent(s) Other Than A Spouse

REGULAR WORKSHEET **B**

STUDENT/SPOUSE INCOME IN 1997

1. Student's and spouse's Adjusted Gross Income (FAFSA/SAR #53)		
2. a. Student's income earned from work (FAFSA/SAR #55)		
2. b. Spouse's income earned from work (FAFSA/SAR #56)	+	
Total student/spouse income earned from work	= 2.	
3. Student/spouse Taxable Income (If tax filers, enter the amount from line 1 above. If non-tax filers, enter the amount from line 2.)		
4. Untaxed income and benefits:		
• Earned Income Credit (tax filers only) (FAFSA/SAR #57)		
• Social Security benefits (FAFSA/SAR #58)		
• Other untaxed income (FAFSA/SAR #61)	+	
Total untaxed income and benefits	= 4.	
5. Taxable and untaxed income (sum of line 3 and line 4)		
6. Exclusions (FAFSA/SAR #62)	-	
7. **TOTAL INCOME** (line 5 minus line 6) May be a negative number.	=	

ALLOWANCES AGAINST STUDENT/SPOUSE INCOME

8. 1997 U.S. income tax paid (FAFSA/SAR #54) (tax filers only); if negative, enter zero.		
9. State and other tax allowance (Table B1. If negative, enter zero.)	+	
10. Student's Social Security tax (Table B2)	+	
11. Spouse's Social Security tax (Table B2)	+	
12. Income protection allowance: • $4,250 for unmarried student; • $4,250 for married student if both student & spouse are enrolled at least 1/2 time; • $7,250 for married student if only the student is enrolled at least 1/2 time.	+	
13. Employment expense allowance: • If student is not married, allowance is zero. • If student is married but only one person is working (the student or spouse), the allowance is zero. • If student is married and both student and spouse are working, the allowance is 35% of the lesser of the earned incomes or $2,800, whichever is less.	+	
14. **TOTAL ALLOWANCES**	=	

CONTRIBUTION FROM AVAILABLE INCOME

Total income (from line 7)		
Total allowances (from line 14)	-	
15. **AVAILABLE INCOME (AI)**	=	
16. Assessment rate	X	.50
17. **CONTRIBUTION FROM AI** May be a negative number.	=	

STUDENT/SPOUSE CONTRIBUTION FROM ASSETS

18. Cash, savings, & checking (FAFSA/SAR #75)		
19. Other real estate & investments value * (FAFSA/SAR #76)		
Other real estate & investments debt * (FAFSA/SAR #77)	-	
Net worth of real estate & investments If negative, enter zero.	= 19.	
20. Business value * (FAFSA/SAR #78)		
Business debt * (FAFSA/SAR #79)		
Net worth of business If negative, enter zero	= 20.	
21. Investment farm value * (FAFSA/SAR #80)		
Investment farm debt * (FAFSA/SAR #81)	-	
Net worth of farm If negative, enter zero. If the family resides on the farm, enter zero.	= 21.	
22. Net worth of business/farm (sum of lines 20 and 21)		
23. Adjusted net worth of business/farm (Calculate using Table B3.)		
24. **Net worth** (sum of lines 18, 19, and 23)	=	
25. Asset protection allowance (Table B4)	-	
26. **Discretionary net worth** (line 24 minus line 25)	=	
27. Asset conversion rate	X	.35
28. **CONTRIBUTION FROM ASSETS** If negative, enter zero.	=	

EXPECTED FAMILY CONTRIBUTION

Contribution from AI (from line 17) May be a negative number.		
Contribution from assets (from line 28)	+	
29. **Contribution from AI and assets**	=	
30. **Number in college in 1998-99** (FAFSA/SAR #45)	÷	
31. **EXPECTED FAMILY CONTRIBUTION** for 9-month enrollment (if negative, enter zero) **	=	

* Do not include the student's home.

** To calculate the student's contribution for other than 9-month enrollment, see page 2.

NOTE: *Use this additional page to prorate the EFC only if the student will be enrolled for other than 9 months and only to determine the student's need for campus-based aid, a subsidized Federal Stafford Loan, or a subsidized Federal Direct Stafford Loan. Do not use this page to prorate the EFC for a Federal Pell Grant. The EFC for the Federal Pell Grant Program is the 9-month EFC used in conjunction with the cost of attendance to determine a Federal Pell Grant award from the Payment or Disbursement Schedule.*

REGULAR
WORKSHEET
Page 2
B

Calculation of Expected Family Contribution for a Student Enrolled for Other than 9 Months

Expected Family Contribution (standard contribution for 9-month enrollment, from line 31)		
Divide by 9	÷	**9**
Expected Family Contribution per month	=	
Multiply by number of months enrollment	**X**	
Expected Family Contribution for other than 9-month enrollment	=	

1998-99 EFC FORMULA B: INDEPENDENT STUDENT
Without Dependent(s) Other Than A Spouse

SIMPLIFIED WORKSHEET **B**

STUDENT/SPOUSE INCOME IN 1997

1. Student's and spouse's Adjusted Gross Income (FAFSA/SAR #53)	
2. a. Student's income earned from work (FAFSA/SAR #55) ______	
2. b. Spouse's income earned from work (FAFSA/SAR #56) + ______	
Total student/spouse income earned from work = 2.	
3. Student/spouse Taxable Income (If tax filers, enter the amount from line 1 above. If non-tax filers, enter the amount from line 2.)	
4. Untaxed income and benefits:	
• Earned Income Credit (tax filers only) (FAFSA/SAR #57) ______	
• Social Security benefits (FAFSA/SAR #58) ______	
• Other untaxed income (FAFSA/SAR #61) + ______	
Total untaxed income and benefits = 4.	
5. Taxable and untaxed income (sum of line 3 and line 4)	
6. Exclusions (FAFSA/SAR #62) -	
7. **TOTAL INCOME** (line 5 minus line 6) May be a negative number. =	

ALLOWANCES AGAINST STUDENT/SPOUSE INCOME

8. 1997 U.S. income tax paid (FAFSA/SAR #54) (tax filers only); if negative, enter zero.	
9. State and other tax allowance (Table B1. If negative, enter zero.) +	
10. Student's Social Security tax (Table B2) +	
11. Spouse's Social Security tax (Table B2) +	
12. Income protection allowance: • $4,250 for unmarried student; • $4,250 for married student if both student & spouse are enrolled at least 1/2 time; • $7,250 for married student if only the student is enrolled at least 1/2 time. +	
13. Employment expense allowance: • If student is not married, allowance is zero. • If student is married but only one person is working (the student or spouse), the allowance is zero. • If student is married and both student and spouse are working, the allowance is 35% of the lesser of the earned incomes or $2,800, whichever is less. +	
14. TOTAL ALLOWANCES =	

CONTRIBUTION FROM AVAILABLE INCOME

Total income (from line 7)	
Total allowances (from line 14) -	
15. **AVAILABLE INCOME (AI)** =	
16. Assessment rate X	.50
17. **CONTRIBUTION FROM AI** May be a negative number. =	

STUDENT/SPOUSE CONTRIBUTION FROM ASSETS

18. Cash, savings, & checking (FAFSA/SAR #75)	
19. Other real estate & investments value * (FAFSA/SAR #76) ______	
Other real estate & investments debt * (FAFSA/SAR #77) - ______	
Net worth of real estate & investments If negative, enter zero. = 19.	
20. Business value * (FAFSA/SAR #78) ______	
Business debt * (FAFSA/SAR #79) ______	
Net worth of business If negative, enter zero = 20. ______	
21. Investment farm value * (FAFSA/SAR #80) ______	
Investment farm debt * (FAFSA/SAR #81) - ______	
Net worth of farm If negative, enter zero. If the family resides on the farm, enter zero. = 21. ______	
22. Net worth of business/farm (sum of lines 20 and 21) ______	
23. Adjusted net worth of business/farm (Calculate using Table B3.)	
24. Net worth (sum of lines 18, 19, and 23) =	
25. Asset protection allowance (Table B4) -	
26. Discretionary net worth (line 24 minus line 25) =	
27. Asset conversion rate X	**.35**
28. CONTRIBUTION FROM ASSETS If negative, enter zero. =	

EXPECTED FAMILY CONTRIBUTION

Contribution from AI (from line 17) May be a negative number.	
Contribution from assets (from line 28) +	
29. Contribution from AI and assets =	
30. Number in college in 1998-99 (FAFSA/SAR #45) ÷	
31. EXPECTED FAMILY CONTRIBUTION for 9-month enrollment (if negative, enter zero) ** =	

* **Do not include the student's home.**

** To calculate the student's contribution for other than 9-month enrollment, see page 2.

NOTE: *Use this additional page to prorate the EFC only if the student will be enrolled for other than 9 months and only to determine the student's need for campus-based aid, a subsidized Federal Stafford Loan, or a subsidized Federal Direct Stafford Loan. Do not use this page to prorate the EFC for a Federal Pell Grant. The EFC for the Federal Pell Grant Program is the 9-month EFC used in conjunction with the cost of attendance to determine a Federal Pell Grant award from the Payment or Disbursement Schedule.*

SIMPLIFIED
WORKSHEET
Page 2

B

Calculation of Expected Family Contribution for a Student Enrolled for Other than 9 Months		
Expected Family Contribution (standard contribution for 9-month enrollment, from line 31)		
Divide by 9	÷	**9**
Expected Family Contribution per month	=	
Multiply by number of months enrollment	**X**	
Expected Family Contribution for other than 9-month enrollment	=	

252

Table B1: State and Other Tax Allowance

Alabama	3%
Alaska	0%
American Samoa	2%
Arizona	3%
Arkansas	4%
California	5%
Canada	2%
Colorado	4%
Connecticut	2%
Delaware	5%
District of Columbia	7%
Federated States of Micronesia	2%
Florida	1%
Georgia	4%
Guam	2%
Hawaii	6%
Idaho	5%
Illinois	2%
Indiana	4%
Iowa	5%
Kansas	4%
Kentucky	5%
Louisiana	2%
Maine	5%
Marshall Islands	2%
Maryland	6%
Massachusetts	5%
Mexico	2%
Michigan	4%
Minnesota	6%
Mississippi	3%
Missouri	3%
Montana	5%
Nebraska	4%
Nevada	0%
New Hampshire	1%
New Jersey	3%
New Mexico	4%
New York	7%
North Carolina	5%
North Dakota	2%
Northern Mariana Islands	2%
Ohio	5%
Oklahoma	4%
Oregon	6%
Palau	2%
Pennsylvania	3%
Puerto Rico	2%
Rhode Island	4%
South Carolina	5%
South Dakota	0%
Tennessee	0%
Texas	0%
Utah	5%
Vermont	4%
Virgin Islands	2%
Virginia	4%
Washington	0%
West Virginia	4%
Wisconsin	5%
Wyoming	0%
Blank or Invalid State	2%
OTHER	2%

Multiply the total income of student and spouse (Worksheet B, line 7) by the appropriate rate from table above to get the "state and other tax allowance." Use the student's STATE OF LEGAL RESIDENCE (FAFSA/SAR #11) reported on the FAFSA. If this item is blank or invalid, use the state in the student's mailing address (FAFSA/SAR #6). If both items are blank or invalid, use rate for blank or invalid state above.

Table B2: Social Security Tax

Calculate separately the Social Security tax of student and spouse.

Income Earned from Work *	Social Security Tax
$0 - $65,400	7.65% of income
$65,401 or greater	$5,003.10 + 1.45% of amount over $65,400

* Student's 1997 income earned from work is FAFSA/SAR #55.
Spouse's 1997 income earned from work is FAFSA/SAR #56.
Social Security tax will never be less than zero.

Table B3: Business/Farm Net Worth Adjustment

If the net worth of a business or farm is—	Then the adjusted net worth is—
Less than $1	$0
$1 to $85,000	40% of net worth of business & farm
$85,001 to $255,000	$ 34,000 + 50% of excess over $85,000
$255,001 to $430,000	$119,000 + 60% of excess over $255,000
$430,001 or more	$224,000 + 100% of excess over $430,000

Table B4
Asset Protection Allowance

Age of student as of 12/31/98 *	Allowance for— Married Student	Unmarried Student
25 or less..	0	0
26	2,400	1,600
27	4,800	3,300
28	7,300	4,900
29	9,700	6,600
30	12,100	8,200
31	14,500	9,800
32	16,900	11,500
33	19,400	13,100
34	21,800	14,800
35	24,200	16,400
36	26,600	18,000
37	29,000	19,700
38	31,500	21,300
39	33,900	23,000
40	36,300	24,600
41	37,300	25,200
42	38,200	25,700
43	39,200	26,300
44	40,200	26,900
45	41,200	27,400
46	42,300	28,100
47	43,300	28,800
48	44,400	29,300
49	45,500	30,000
50	46,700	30,700
51	48,100	31,500
52	49,400	32,200
53	50,900	33,000
54	52,100	33,800
55	53,700	34,700
56	55,400	35,600
57	57,100	36,400
58	58,800	37,500
59	60,600	38,500
60	62,400	39,400
61	64,500	40,500
62	66,800	41,700
63	68,700	42,900
64	71,100	44,000
65 or more	73,500	45,500

* Determine student's age as of 12/31/98 from student's date of birth (FAFSA/SAR #9)

1998-99 EFC FORMULA C : INDEPENDENT STUDENT
With Dependent(s) Other Than A Spouse

REGULAR WORKSHEET C

STUDENT/SPOUSE INCOME IN 1997

1. Student's and spouse's Adjusted Gross Income (FAFSA/SAR #53)		
2 a. Student's income earned from work (FAFSA/SAR #55)	______	
2 b. Spouse's income earned from work (FAFSA/SAR #56)	+ ______	
Total student/spouse income earned from work = 2.		
3. Student/spouse Taxable Income (If tax filers, enter the amount from line 1 above. If non-tax filers, enter the amount from line 2.)*		
4. Untaxed income and benefits:		
• Earned Income Credit (tax filers only) (FAFSA/SAR #57)	______	
• Social Security benefits (FAFSA/SAR #58)	+ ______	
• AFDC/ADC (FAFSA/SAR #59)	+ ______	
• Child support received (FAFSA/SAR #60)	+ ______	
• Other untaxed income (FAFSA/SAR #61)	+ ______	
Total untaxed income and benefits =4.		
5. Taxable and untaxed income (sum of line 3 and line 4)		
6. Exclusions (FAFSA/SAR #62) -		
7. **TOTAL INCOME** (line 5 minus line 6) May be a negative number. =		

ALLOWANCES AGAINST STUDENT/SPOUSE INCOME

8. 1997 U.S. income tax paid (FAFSA/SAR #56) (tax filers only); if negative, enter zero.	
9. State and other tax allowance (Table C1. If negative, enter zero.) +	
10. Student's Social Security tax (Table C2) +	
11. Spouse's Social Security tax (Table C2) +	
12. Income protection allowance (Table C3) +	
13. Employment expense allowance: • Student and spouse both working: 35% of the lesser of the earned incomes, or $2,800, whichever is less. • One-parent families: 35% of earned income, or $2,800, whichever is less) • Student or spouse working (not both): zero +	
14. **TOTAL ALLOWANCES** =	

AVAILABLE INCOME

Total income (from line 7)	
Total allowances (from line 14) -	
15. **AVAILABLE INCOME (AI)** May be a negative number. =	

STUDENT/SPOUSE CONTRIBUTION FROM ASSETS

16. Cash, savings, & checking (FAFSA/SAR #75)		
17. Other real estate & investments value ** (FAFSA/SAR #76)	______	
Other real estate & investments debt ** (FAFSA/SAR #77)	- ______	
Net worth of real estate & investments If negative, enter zero. = 17.		
18. Business value ** (FAFSA/SAR #78)	______	
Business debt ** (FAFSA/SAR #79)	- ______	
Net worth of business If negative, enter zero = 18.		
19. Investment farm value ** (FAFSA/SAR #80)	______	
Investment farm debt ** (FAFSA/SAR #81)	- ______	
Net worth of farm If negative, enter zero. If the family resides on the farm, enter zero. = 19.		
20. Net worth of business/farm (sum of lines 18 and 19)		
21. Adjusted net worth of business/farm (Calculate using Table C4.) +		
22. **Net worth** (sum of lines 16, 17, and 21) =		
23. Asset protection allowance (Table C5) -		
24. **Discretionary net worth** (line 22 minus line 23) =		
25. Asset conversion rate X		.12
26. **CONTRIBUTION FROM ASSETS** If negative, enter zero. =		

EXPECTED FAMILY CONTRIBUTION

Available income (AI) (from line 15)	
Contribution from assets (from line 26) +	
27. **Adjusted available income (AAI)** May be a negative number =	
28. **Total contribution from AAI** (Calculate using Table C6; if negative, enter zero.)	
29. **Number in college in 1998-99** (FAFSA/SAR #45) ÷	
30. **EXPECTED FAMILY CONTRIBUTION** for 9-month enrollment *** =	

** Do not include the net value of the family's home.

*** To calculate the EFC for other than 9-month enrollment, see page 2.

* STOP HERE if both of the following are true: line 3 is $12,000 or less, *and* the student & spouse are eligible to file a 1997 IRS Form 1040A or 1040EZ (they are not required to file a 1997 Form 1040, or they are not required to file any income tax return)—the student's EFC is zero.

NOTE: *Use this additional page to prorate the EFC only if the student will be enrolled for other than 9 months and only to determine the student's need for campus-based aid, a subsidized Federal Stafford Loan, or a subsidized Federal Direct Stafford Loan. Do not use this page to prorate the EFC for a Federal Pell Grant. The EFC for the Federal Pell Grant Program is the 9-month EFC used in conjunction with the cost of attendance to determine a Federal Pell Grant award from the Payment or Disbursement Schedule.*

REGULAR
WORKSHEET
Page 2

C

Calculation of Expected Family Contribution for a Student Enrolled for Other than 9 Months

Expected Family Contribution (standard contribution for 9-month enrollment, from line 31)		
Divide by 9	÷	9
Expected Family Contribution per month	=	
Multiply by number of months enrollment	X	
Expected Family Contribution for other than 9-month enrollment	=	

1998-99 EFC FORMULA C : INDEPENDENT STUDENT
With Dependent(s) Other Than A Spouse

SIMPLIFIED WORKSHEET **C**

STUDENT/SPOUSE INCOME IN 1997

1. Student's and spouse's Adjusted Gross Income (FAFSA/SAR #53)	
2. a. Student's income earned from work (FAFSA/SAR #55) ______	
2. b. Spouse's income earned from work (FAFSA/SAR #56) + ______	
Total student/spouse income earned from work = 2.	
3. Student/spouse Taxable Income (If tax filers, enter the amount from line 1 above. If non-tax filers, enter the amount from line 2.)*	
4. Untaxed income and benefits:	
• Earned Income Credit (tax filers only) (FAFSA/SAR #57) ______	
• Social Security benefits (FAFSA/SAR #58) + ______	
• AFDC/ADC (FAFSA/SAR #59) + ______	
• Child support received (FAFSA/SAR #60) + ______	
• Other untaxed income (FAFSA/SAR #61) + ______	
Total untaxed income and benefits = 4.	
5. Taxable and untaxed income (sum of line 3 and line 4)	
6. Exclusions (FAFSA/SAR #62) -	
7. TOTAL INCOME (line 5 minus line 6) May be a negative number. =	

ALLOWANCES AGAINST STUDENT/SPOUSE INCOME

8. 1997 U.S. income tax paid (FAFSA/SAR #56) (tax filers only); if negative, enter zero.	
9. State and other tax allowance (Table C1. If negative, enter zero.) +	
10. Student's Social Security tax (Table C2) +	
11. Spouse's Social Security tax (Table C2) +	
12. Income protection allowance (Table C3) +	
13. Employment expense allowance:	
• Student and spouse both working: 35% of the lesser of the earned incomes, or $2,800, whichever is less.	
• One-parent families: 35% of earned income, or $2,800, whichever is less)	
• Student or spouse working (not both): zero +	
14. TOTAL ALLOWANCES =	

AVAILABLE INCOME

Total income (from line 7)	
Total allowances (from line 14) -	
15. AVAILABLE INCOME (AI) May be a negative number. =	

STUDENT/SPOUSE CONTRIBUTION FROM ASSETS

16. Cash, savings, & checking (FAFSA/SAR #75)	
17. Other real estate & investments value ** (FAFSA/SAR #76) ______	
Other real estate & investments debt ** (FAFSA/SAR #77) - ______	
Net worth of real estate & investments If negative, enter zero. = 17.	
18. Business value ** (FAFSA/SAR #78) ______	
Business debt ** (FAFSA/SAR #79) - ______	
Net worth of business If negative, enter zero = 18.	
19. Investment farm value ** (FAFSA/SAR #80) ______	
Investment farm debt ** (FAFSA/SAR #81) - ______	
Net worth of farm If negative, enter zero. If the family resides on the farm, enter zero. = 19.	
20. Net worth of business/farm (sum of lines 18 and 19)	
21. Adjusted net worth of business/farm (Calculate using Table C4.) +	
22. Net worth (sum of lines 16, 17, and 21) =	
23. Asset protection allowance (Table C5) -	
24. Discretionary net worth (line 22 minus line 23) =	
25. Asset conversion rate X	.12
26. CONTRIBUTION FROM ASSETS If negative, enter zero. =	

EXPECTED FAMILY CONTRIBUTION

Available income (AI) (from line 15)	
Contribution from assets (from line 26) +	
27. Adjusted available income (AAI) May be a negative number =	
28. Total contribution from AAI (Calculate using Table C6; if negative, enter zero.)	
29. Number in college in 1998-99 (FAFSA/SAR #45) ÷	
30. EXPECTED FAMILY CONTRIBUTION for 9-month enrollment *** =	

** **Do not include the net value of the family's home.**

*** To calculate the EFC for other than 9-month enrollment, see page 2.

---

* STOP HERE if both of the following are true: line 3 is $12,000 or less, *and* the student & spouse are eligible to file a 1997 IRS Form 1040A or 1040EZ (they are not required to file a 1997 Form 1040, or they are not required to file any income tax return)—the student's EFC is zero.

NOTE: *Use this additional page to prorate the EFC only if the student will be enrolled for other than 9 months and only to determine the student's need for campus-based aid, a subsidized Federal Stafford Loan, or a subsidized Federal Direct Stafford Loan. Do not use this page to prorate the EFC for a Federal Pell Grant. The EFC for the Federal Pell Grant Program is the 9-month EFC used in conjunction with the cost of attendance to determine a Federal Pell Grant award from the Payment or Disbursement Schedule.*

SIMPLIFIED
WORKSHEET
Page 2

C

Calculation of Expected Family Contribution for a Student Enrolled for Other than 9 Months

Expected Family Contribution (standard contribution for 9-month enrollment, from line 31)		
Divide by 9	÷	9
Expected Family Contribution per month	=	
Multiply by number of months enrollment	X	
Expected Family Contribution for other than 9-month enrollment	=	

Table C1: State and Other Tax Allowance

STATE	PERCENT OF TOTAL INCOME	
	$0-14,999	$15,000 or more
Alabama	5%	4%
Alaska	3%	2%
American Samoa	4%	3%
Arizona	6%	5%
Arkansas	6%	5%
California	8%	7%
Canada	4%	3%
Colorado	7%	6%
Connecticut	6%	5%
Delaware	8%	7%
District of Columbia	10%	9%
Federated States of Micronesia	4%	3%
Florida	4%	3%
Georgia	7%	6%
Guam	4%	3%
Hawaii	8%	7%
Idaho	7%	6%
Illinois	6%	5%
Indiana	6%	5%
Iowa	8%	7%
Kansas	7%	6%
Kentucky	7%	6%
Louisiana	4%	3%
Maine	9%	8%
Marshall Islands	4%	3%
Maryland	9%	8%
Massachusetts	9%	8%
Mexico	4%	3%
Michigan	9%	8%
Minnesota	9%	8%
Mississippi	5%	4%
Missouri	6%	5%
Montana	8%	7%
Nebraska	8%	7%
Nevada	3%	2%
New Hampshire	7%	6%
New Jersey	8%	7%
New Mexico	6%	5%
New York	11%	10%
North Carolina	8%	7%
North Dakota	6%	5%
Northern Mariana Islands	4%	3%
Ohio	8%	7%
Oklahoma	6%	5%
Oregon	10%	9%
Palau	4%	3%
Pennsylvania	7%	6%
Puerto Rico	4%	3%
Rhode Island	9%	8%
South Carolina	8%	7%
South Dakota	4%	3%
Tennessee	3%	2%
Texas	3%	2%
Utah	8%	7%
Vermont	8%	7%
Virgin Islands	4%	3%
Virginia	8%	7%
Washington	4%	3%
West Virginia	6%	5%
Wisconsin	10%	9%
Wyoming	3%	2%
Blank or invalid State	4%	3%
OTHER	4%	3%

Multiply the total income of student and spouse (from Worksheet C, line 7) by the appropriate rate from the table above to get the "state and other tax allowance." Use the student's STATE OF LEGAL RESIDENCE (FAFSA/SAR #11) reported on the FAFSA. If this item is blank or invalid, use the STATE in the student's mailing address (FAFSA/SAR #6). If both items are blank or invalid, use the rate for blank or invalid state above.

Table C2: Social Security Tax

Calculate separately the Social Security tax of student and spouse.

Income Earned from Work *	Social Security Tax
$0 - $65,400	7.65% of income
$65,401 or greater	$5,003.10 + 1.45% of amount over $65,400

* Student's 1997 income earned from work is FAFSA/SAR #55.
Spouse's 1997 income earned from work is FAFSA/SAR #56.
Social Security tax will never be less than zero.

Table C3: Income Protection Allowance

Number in student's household, including student (FAFSA/SAR #44)	Number of college students in household (FAFSA/SAR #45)				
	1	2	3	4	5
2	$12,030	$9,980	——	——	——
3	14,990	12,940	$10,880	——	——
4	18,510	16,450	14,400	$12,340	——
5	21,840	19,780	17,730	15,670	$13,630
6	25,550	23,490	21,440	19,380	17,330

NOTE: For each additional family member, add $2,880.
For each additional college student, subtract $2,050

Table C4: Business/Farm Net Worth Adjustment

If the net worth of a business or farm is—	Then the adjusted net worth is—
Less than $1	$0
$1 to $85,000	40% of net worth of business & farm
$85,001 to $255,000	$ 34,000 + 50% of excess over $85,000
$255,001 to $430,000	$119,000 + 60% of excess over $255,000
$430,001 or more	$224,000 + 100% of excess over $430,000

Table C5: Asset Protection Allowance

	Allowance for—			Allowance for—	
Age of student as of 12/31/98*	Married Student	Unmarried Student	Age of student as of 12/31/98*	Married Student	Unmarried Student
25 or less	0	0	45	41,200	27,400
26	2,400	1,600	46	42,300	28,100
27	4,800	3,300	47	43,300	28,800
28	7,300	4,900	48	44,400	29,300
29	9,700	6,600	49	45,500	30,000
30	12,100	8,200	50	46,700	30,700
31	14,500	9,800	51	48,100	31,500
32	16,900	11,500	52	49,400	32,200
33	19,400	13,100	53	50,900	33,000
34	21,800	14,800	54	52,100	33,800
35	24,200	16,400	55	53,700	34,700
36	26,600	18,000	56	55,400	35,600
37	29,000	19,700	57	57,100	36,400
38	31,500	21,300	58	58,800	37,500
39	33,900	23,000	59	60,600	38,500
40	36,300	24,600	60	62,400	39,400
41	37,300	25,200	61	64,500	40,500
42	38,200	25,700	62	66,800	41,700
43	39,200	26,300	63	68,700	42,900
44	40,200	26,900	64	71,100	44,000
			65 or more	73,500	45,500

* Determine student's age as of 12/31/98 from student's date of birth (FAFSA/SAR #9)

Table C6: Contribution From AAI

If student's AAI is—	The student's contribution from AAI is—
Less than -$3,409	-$750
-$3,409 to $10,800	22% of AAI
$10,801 to $13,500	$2,376 + 25% of AAI over $10,800
$13,501 to $16,200	$3,051 + 29% of AAI over $13,500
$16,201 to $19,000	$3,834 + 34% of AAI over $16,200
$19,001 to $21,700	$4,786 + 40% of AAI over $19,000
$21,701 or more	$5,866 + 47% of AAI over $21,700

Disbursements and EFC

Types of EFC	Pell Grant	Campus-Based Programs	FFEL/Direct Loans
Estimated EFC	No disbursements	No disbursements	PLUS disbursements only
Official EFC	Make disbursements	Make disbursements	Make disbursements
School-Recalculated EFC	• 1st payment only if student selected for verification by either CPS or the school • No subsequent payments	• Disbursements okay • Reprocessing by CPS optional • School liable	• Disbursements okay • Reprocessing by CPS optional • School liable

PRACTICE

Precalculation Questions

1. Is Chris an independent or dependent student?

2. Which worksheet must you use for Chris? Why?

3. Can you use the simplified version of the worksheet? Why or why not?

4. Does Chris qualify for an automatic zero EFC? Why or why not?

1998-99 EFC FORMULA A: DEPENDENT STUDENT

SIMPLIFIED WORKSHEET
Page 1
A

PARENTS' INCOME IN 1997

1. Parents' Adjusted Gross Income (FAFSA/SAR #65)		$23,261
2. a. Father's income earned from work (FAFSA/SAR #67)	$19,566	
2. b. Mother's income earned from work (FAFSA/SAR #68)	+ $3,695	
Total parents' income earned from work	= 2.	$23,261
3. Parents' Taxable Income (If tax filers, enter the amount from line 1 above. If non-tax filers, enter the amount from line 2.)*		
4. Untaxed income and benefits:		
• Earned Income Credit (tax filers only) (FAFSA/SAR #68)	0	
• Social Security benefits (FAFSA/SAR #70)	+ 0	
• AFDC/ADC (FAFSA/SAR #71)	+ 0	
• Child support received (FAFSA/SAR #72)	+ 0	
• Other untaxed income (FAFSA/SAR #73)	+ 0	
Total untaxed income and benefits	= 4.	0
5. Taxable and untaxed income (sum of line 3 and line 4)		
6. Exclusions (FAFSA/SAR #74)	-	0
7. **TOTAL INCOME** (line 5 minus line 6) May be a negative number.	=	

ALLOWANCES AGAINST PARENTS' INCOME

8. 1997 U.S. income tax paid (FAFSA/SAR #66) (tax filers only); if negative, enter zero.		$69
9. State and other tax allowance (Table A1. If negative, enter zero.)	+	
10. Father's Social Security tax (Table A2)	+	$1,497
11. Mother's Social Security tax (Table A2)	+	$283
12. Income protection allowance (Table A3)	+	$23,490
13. Employment expense allowance:		
• Two working parents: 35% of the lesser of the earned incomes, or $2,800, whichever is less.		
• One parent families: 35% of earned income, or $2,800, whichever is less		
• Two-parent families, one working parent: zero	+	
14. **TOTAL ALLOWANCES**	=	

AVAILABLE INCOME

Total income (from line 7)		
Total allowances (from line 14)	-	
15. **AVAILABLE INCOME (AI)** May be a negative number.	=	

PARENTS' CONTRIBUTION FROM ASSETS

16. Cash, savings, & checking (FAFSA/SAR #83)			
17. Other real estate & investments value ** (FAFSA/SAR #84)			
Other real estate & investments debt ** (FAFSA/SAR #85)		-	
Net worth of real estate & investments If negative, enter zero.	= 17.		
18. Business value ** (FAFSA/SAR #86)			
Business debt ** (FAFSA/SAR #87)		-	
Net worth of business If negative, enter zero	= 18.		
19. Investment farm value ** (FAFSA/SAR #88)			
Investment farm debt ** (FAFSA/SAR #89)		-	
Net worth of farm If negative, enter zero. If the family resides on the farm, enter zero.	= 19.		
20. Net worth of business/farm (sum of lines 18 and 19)	20.		
21. Adjusted net worth of business/farm (Calculate using Table A4.)	+		
22. **Net worth** (sum of lines 16, 17, and 21)	=		
23. Education savings and asset protection allowance (Table A5)	-		
24. **Discretionary net worth** (line 22 minus line 23)	=		
25. Asset conversion rate	X		.12
26. **CONTRIBUTION FROM ASSETS** If negative, enter zero.	=		

PARENTS' CONTRIBUTION

Available income (AI) (from line 15)		
Contribution from assets (from line 26)	+	
27. **Adjusted available income (AAI)** May be a negative number.	=	
28. **Total parents' contribution from AAI** (Calculate using Table A6; if negative, enter zero.)		
29. **Number in college in 1998-99** (FAFSA/SAR #50)	÷	
30. **PARENTS' CONTRIBUTION** (standard contribution for 9-month enrollment)		

* STOP HERE if both of the following are true: line 3 is $12,000 or less, *and* the parents are eligible to file a 1997 IRS Form 1040A or 1040EZ (they are not required to file a 1997 Form 1040, or they are not required to file any income tax return)—the student's EFC is zero.

** Do not include the family's home.

continued on reverse

SIMPLIFIED WORKSHEET
Page 2
A

STUDENT'S INCOME IN 1997

31. Adjusted Gross Income (FAFSA/SAR #53)		0
32. Income earned from work (FAFSA/SAR #55)		0
33. Taxable Income (If tax filer, enter the amount from line 31. If non-tax filer, enter the amount from line 32.)		0
34. Untaxed income and benefits:		
• Social Security benefits (FAFSA/SAR #58)	0	
• Other untaxed income (FAFSA/SAR #61)	+ 0	
Total untaxed income and benefits	= **34.**	0
35. Taxable and untaxed income (sum of line 33 and line 34)		0
36. Exclusions (FAFSA/SAR #62)	-	0
37. TOTAL INCOME (line 35 minus line 36) May be a negative number.	=	0

ALLOWANCES AGAINST STUDENT INCOME

38. 1997 U.S. income tax paid (FAFSA/SAR #54) (tax filers only); if negative, enter zero.		0
39. State and other tax allowance (Table A7. If negative, enter zero.)	+	0
40. Social Security tax allowance (Table A2)	+	0
41. Income protection allowance	+	2,200
42. TOTAL ALLOWANCES	=	$2,200

STUDENT CONTRIBUTION FROM INCOME

Total income (from line 37)		0
Total allowances (from line 42)	-	$2,200
43. Available income (AI)	=	-$2,200
44. Assessment of AI	X	.50
45. STUDENT CONTRIBUTION FROM AI If negative, enter zero.	=	0

STUDENT CONTRIBUTION FROM ASSETS

46. Cash, savings, & checking (FAFSA/SAR #75)		
47. Other real estate & investments value * (FAFSA/SAR #76)		
Other real estate & investments debt * (FAFSA/SAR #77)	-	
Net worth of real estate & investments If negative, enter zero.	= **47.**	
48. Business value * (FAFSA/SAR #78)		
Business debt * (FAFSA/SAR #79)	-	
Net worth of business If negative, enter zero	= **48.**	
49. Investment farm value * (FAFSA/SAR #80)		
Investment farm debt * (FAFSA/SAR #81)	-	
Net worth of farm If negative, enter zero. If the family resides on the farm, enter zero.	= **49.**	
50. Net worth (sum of lines 46 through 49)	=	
51. Assessment rate	X	.35
52. CONTRIBUTION FROM ASSETS	=	

EXPECTED FAMILY CONTRIBUTION

PARENTS' CONTRIBUTION (from line 30)		
STUDENT CONTRIBUTION FROM AI (from line 45)	+	
STUDENT CONTRIBUTION FROM ASSETS (from line 52)	+	
53. EXPECTED FAMILY CONTRIBUTION	=	

* Do not include the student's home.

BACK AT THE OFFICE

Back at the office, you should:

- Check to see if you have EDExpress capabilities.
- Highlight your most represented states on need-analysis tables.
- ____
- ____
- ____

Precalculation Questions - Answers

1. Is Chris an independent or dependent student?

   Dependent

2. Which worksheet must you use for Chris? Why?

   Worksheet A, because she is a dependent student

3. Can you use the simplified version of the worksheet? Why or why not?

   Yes, because she qualifies for the Simplified Needs Test

4. Does Chris qualify for an automatic zero EFC? Why or why not?

   No, because Chris's parents' AGI is not $12,000 or less

1998-99 EFC FORMULA A: DEPENDENT STUDENT

SIMPLIFIED WORKSHEET
Page 1
A

PARENTS' INCOME IN 1997		
1. Parents' Adjusted Gross Income (FAFSA/SAR #65)		$23,261
2. a. Father's income earned from work (FAFSA/SAR #67)	$19,566	
2. b. Mother's income earned from work (FAFSA/SAR #68)	+ $3,695	
Total parents' income earned from work	= 2.	$23,261
3. Parents' Taxable Income (If tax filers, enter the amount from line 1 above. If non-tax filers, enter the amount from line 2.)*		$23,261
4. Untaxed income and benefits:		
• Earned Income Credit (tax filers only) (FAFSA/SAR #68)	0	
• Social Security benefits (FAFSA/SAR #70)	+ 0	
• AFDC/ADC (FAFSA/SAR #71)	+ 0	
• Child support received (FAFSA/SAR #72)	+ 0	
• Other untaxed income (FAFSA/SAR #73)	+ 0	
Total untaxed income and benefits	= 4.	0
5. Taxable and untaxed income (sum of line 3 and line 4)		$23,261
6. Exclusions (FAFSA/SAR #74)	-	0
7. **TOTAL INCOME** (line 5 minus line 6) May be a negative number.	=	$23,261

ALLOWANCES AGAINST PARENTS' INCOME		
8. 1997 U.S. income tax paid (FAFSA/SAR #66) (tax filers only); if negative, enter zero.		$69
9. State and other tax allowance (Table A1. If negative, enter zero.)	+	$1,861
10. Father's Social Security tax (Table A2)	+	$1,497
11. Mother's Social Security tax (Table A2)	+	$283
12. Income protection allowance (Table A3)	+	$23,490
13. Employment expense allowance: • Two working parents: 35% of the lesser of the earned incomes, or $2,800, whichever is less. • One parent families: 35% of earned income, or $2,800, whichever is less • Two-parent families, one working parent: zero	+	$1,293
14. **TOTAL ALLOWANCES**	=	$28,493

AVAILABLE INCOME		
Total income (from line 7)		$23,261
Total allowances (from line 14)	-	$28,493
15. **AVAILABLE INCOME (AI)** May be a negative number.	=	- $5,232

* STOP HERE if both of the following are true: line 3 is $12,000 or less, *and* the parents are eligible to file a 1997 IRS Form 1040A or 1040EZ (they are not required to file a 1997 Form 1040, or they are not required to file any income tax return)—the student's EFC is zero.

PARENTS' CONTRIBUTION FROM ASSETS			
16. Cash, savings, & checking (FAFSA/SAR #83)			
17. Other real estate & investments value ** (FAFSA/SAR #84)			
Other real estate & investments debt ** (FAFSA/SAR #85)	-		
Net worth of real estate & investments If negative, enter zero.	= 17.		
18. Business value ** (FAFSA/SAR #86)			
Business debt ** (FAFSA/SAR #87)	-		
Net worth of business If negative, enter zero	= 18.		
19. Investment farm value ** (FAFSA/SAR #88)			
Investment farm debt ** (FAFSA/SAR #89)	-		
Net worth of farm If negative, enter zero. If the family resides on the farm, enter zero.	= 19.		
20. Net worth of business/farm (sum of lines 18 and 19)	20.		
21. Adjusted net worth of business/farm (Calculate using Table A4.)		+	
22. Net worth (sum of lines 16, 17, and 21)		=	
23. Education savings and asset protection allowance (Table A5)		-	
24. Discretionary net worth (line 22 minus line 23)		=	
25. Asset conversion rate		X	.12
26. CONTRIBUTION FROM ASSETS If negative, enter zero.		=	

PARENTS' CONTRIBUTION		
Available income (AI) (from line 15)		- $5,232
Contribution from assets (from line 26)	+	
27. **Adjusted available income (AAI)** May be a negative number.	=	- $5,232
28. **Total parents' contribution from AAI** (Calculate using Table A6; if negative, enter zero.)		0
29. **Number in college in 1998-99** (FAFSA/SAR #50)	÷	2
30. **PARENTS' CONTRIBUTION** (standard contribution for 9-month enrollment)		0

** Do not include the family's home.

continued on reverse

SIMPLIFIED WORKSHEET Page 2

A

STUDENT'S INCOME IN 1997

31. Adjusted Gross Income (FAFSA/SAR #53)		0
32. Income earned from work (FAFSA/SAR #55)		0
33. Taxable Income (If tax filer, enter the amount from line 31. If non-tax filer, enter the amount from line 32.)		0
34. Untaxed income and benefits:		
• Social Security benefits (FAFSA/SAR #58)	0	
• Other untaxed income (FAFSA/SAR #61)	+ 0	
Total untaxed income and benefits	= 34.	0
35. Taxable and untaxed income (sum of line 33 and line 34)		0
36. Exclusions (FAFSA/SAR #62)	-	0
37. TOTAL INCOME (line 35 minus line 36) May be a negative number.	=	0

ALLOWANCES AGAINST STUDENT INCOME

38. 1997 U.S. income tax paid (FAFSA/SAR #54) (tax filers only); if negative, enter zero.		0
39. State and other tax allowance (Table A7. If negative, enter zero.)	+	0
40. Social Security tax allowance (Table A2)	+	0
41. Income protection allowance	+	2,200
42. TOTAL ALLOWANCES	=	$2,200

STUDENT CONTRIBUTION FROM INCOME

Total income (from line 37)		0
Total allowances (from line 42)	-	$2,200
43. Available income (AI)	=	-$2,200
44. Assessment of AI	X	.50
45. STUDENT CONTRIBUTION FROM AI If negative, enter zero.	=	0

STUDENT CONTRIBUTION FROM ASSETS

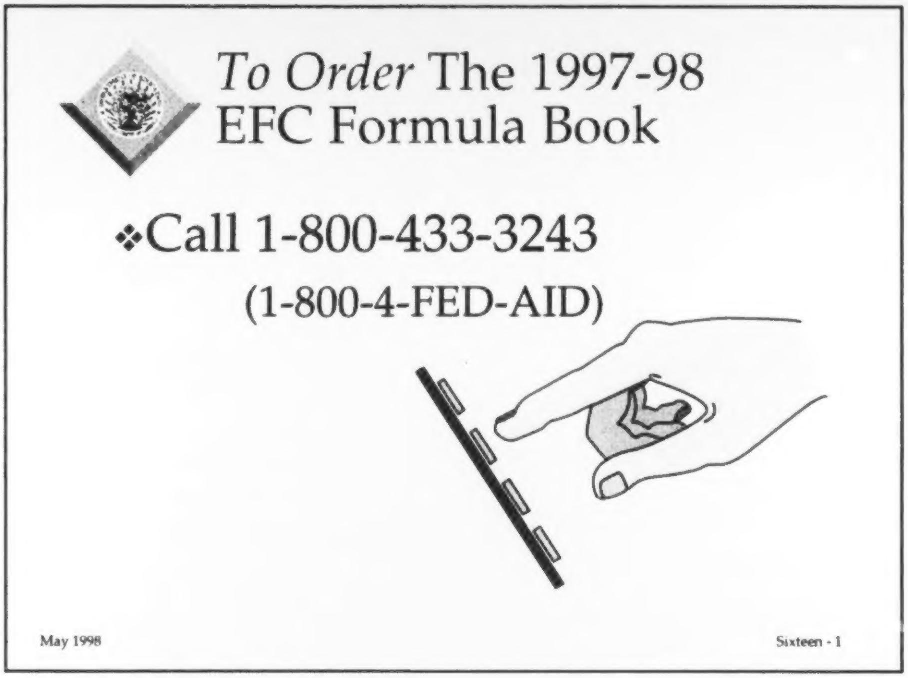
46. Cash, savings, & checking (FAFSA/SAR #75)		
47. Other real estate & investments value * (FAFSA/SAR #76)		
Other real estate & investments debt * (FAFSA/SAR #77)	-	
Net worth of real estate & investments If negative, enter zero.	= 47.	
48. Business value * (FAFSA/SAR #78)		
Business debt * (FAFSA/SAR #79)	-	
Net worth of business If negative, enter zero	= 48.	
49. Investment farm value * (FAFSA/SAR #80)		
Investment farm debt * (FAFSA/SAR #81)	-	
Net worth of farm If negative, enter zero. If the family resides on the farm, enter zero.	= 49.	
50. Net worth (sum of lines 46 through 49)	=	
51. Assessment rate	X	.35
52. CONTRIBUTION FROM ASSETS	=	

EXPECTED FAMILY CONTRIBUTION

PARENTS' CONTRIBUTION (from line 30)		0
STUDENT CONTRIBUTION FROM AI (from line 45)	+	0
STUDENT CONTRIBUTION FROM ASSETS (from line 52)	+	
53. EXPECTED FAMILY CONTRIBUTION	=	0

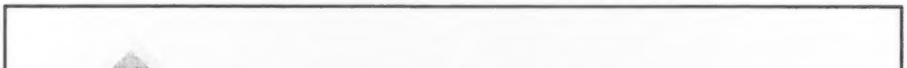
* Do not include the student's home.

BEST COPY AVAILABLE



To Order The 1997-98 EFC Formula Book

- Call 1-800-433-3243
  (1-800-4-FED-AID)



The EFC Worksheets

- **Worksheet A**—Dependent Student
- **Worksheet B**—Independent Student
  - (with no dependents other than a spouse)
- **Worksheet C**—Independent Student
  - (with dependents other than a spouse)

Automatic Zero EFC

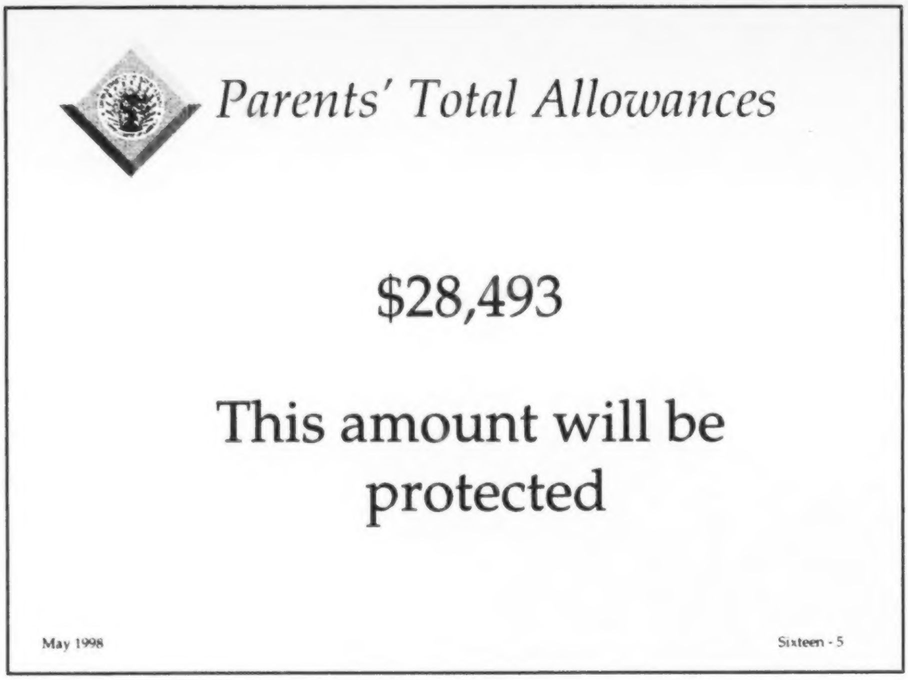
- Student who qualifies for Simplified Needs Test (SNT) and:
  - Dependent student's parents earn $12,000 or less **or**
  - Independent student with dependents other than a spouse earns $12,000 or less

Parents' Total Income

$23,261 (Taxable Income)

- $ 0 (Exclusions)

$23,261 Total Income



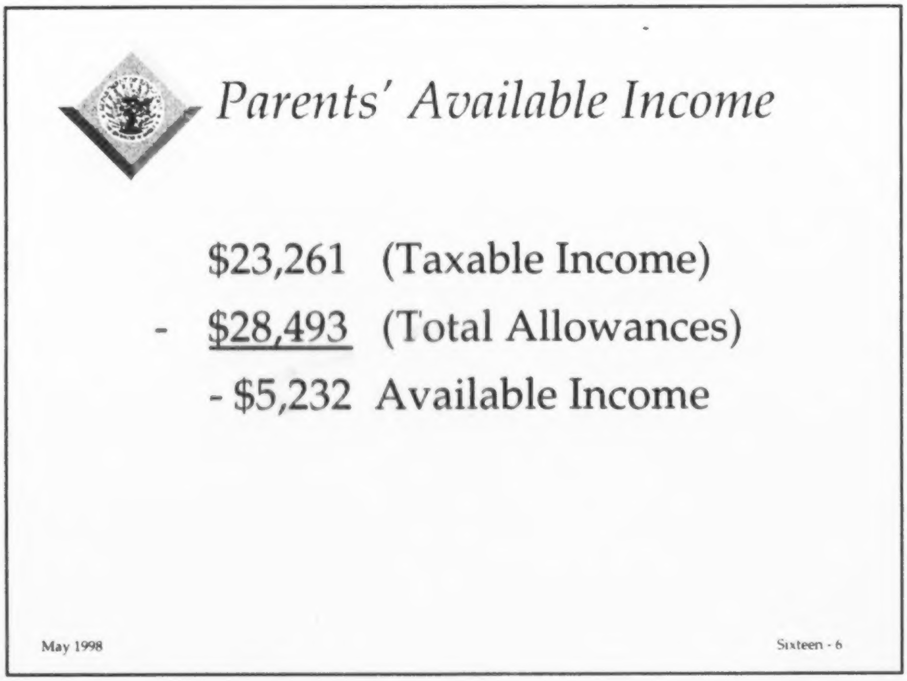
Parents' Total Allowances

$28,493

This amount will be protected

May 1998

Sixteen - 5



Parents' Available Income

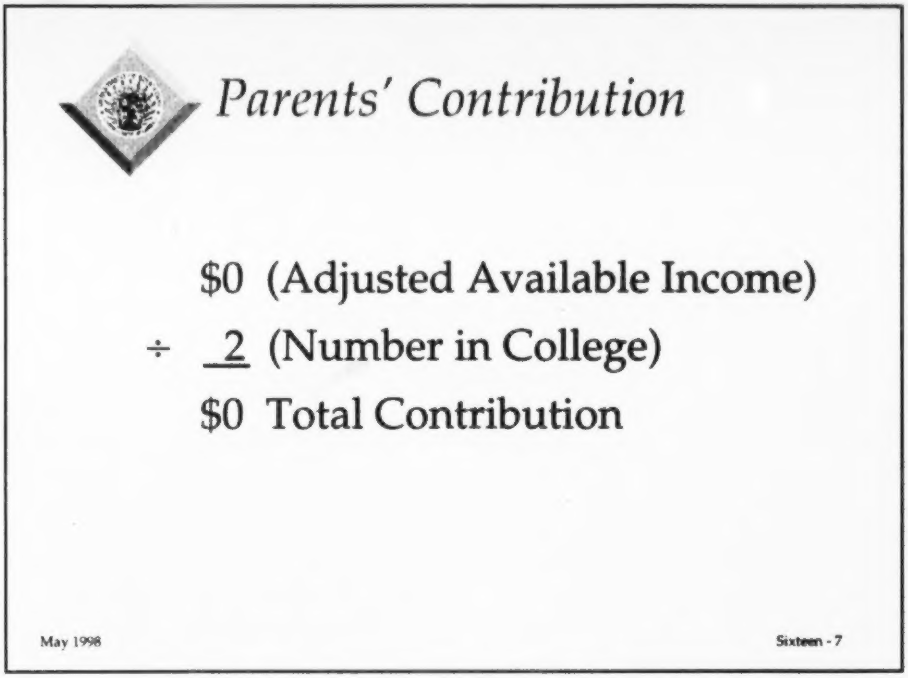
$23,261 (Taxable Income)

- $28,493 (Total Allowances)

- $5,232 Available Income

May 1998

Sixteen - 6

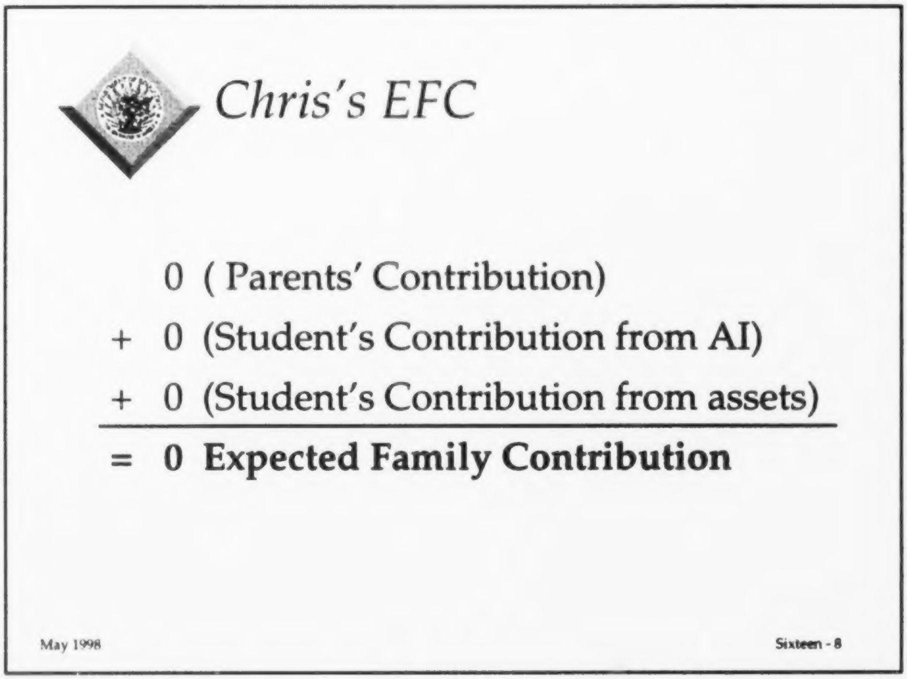


Parents' Contribution

$0 (Adjusted Available Income)

÷ 2 (Number in College)

$0 Total Contribution



Chris's EFC

0 (Parents' Contribution)

+ 0 (Student's Contribution from AI)

+ 0 (Student's Contribution from assets)

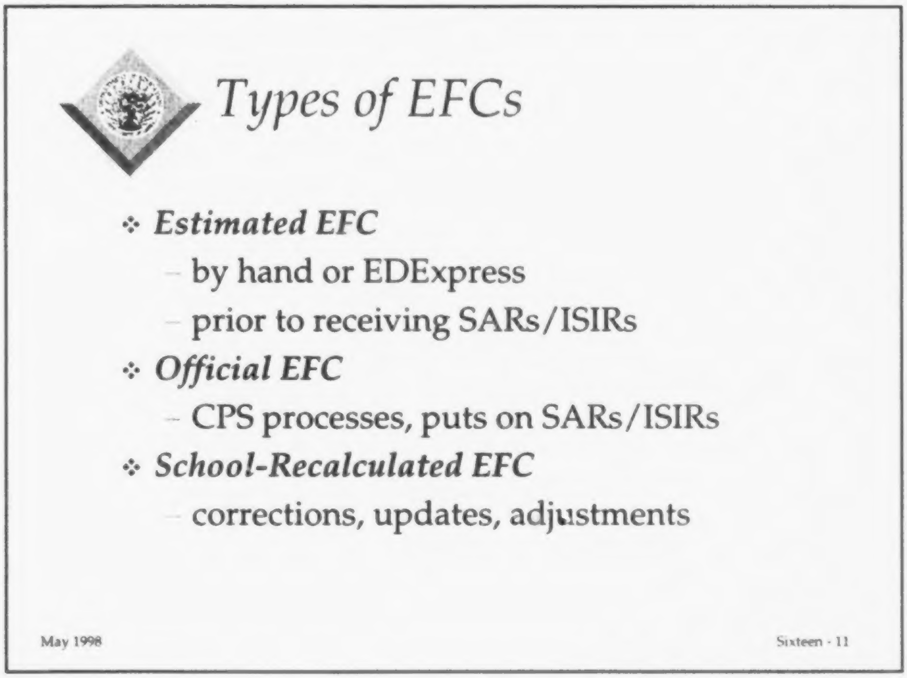
= 0 Expected Family Contribution

EFC Adjustment— *Dependent Students*

- Specified by law
- See page 3 of Worksheet A
- CPS calculates, prints on SARs, SAR Information Acknowledgments, and ISIRs

EFC Adjustment— *Independent Students*

- Not specified by law
- See Worksheets B and C
- CPS performs proration, prints on SARs and ISIRs



Types of EFCs

- ***Estimated EFC***
  - by hand or EDExpress
  - prior to receiving SARs/ISIRs
- ***Official EFC***
  - CPS processes, puts on SARs/ISIRs
- ***School-Recalculated EFC***
  - corrections, updates, adjustments

May 1998

Sixteen - 11

Session 17 - Adjustments and Professional Judgment

By the end of this session, you will be able to:

- ***adjust a student's COA and EFC and***
- ***exercise professional judgment for sample students.***

RESOURCES

- *The 1998-99 Federal Student Financial Aid Handbook,* Chapter 2
- *Action Letter* #6 (GEN-95-54)

SESSION CONTENTS

1. Need to Know
   - Lecture notes
   - "School Use Only" box of Part 2 of SAR
   - Sample Use of Professional Judgment — "Sally Augustine"
2. Practice
   - Case Study 1 — Request for Dependency Override
   - Case Study 2 — Request for Dependency Override
   - Case Study 3 — Request for Adjustment to EFC
   - Case Study 4 — Request for Adjustment to Student's Cost of Attendance (Budget)

SESSION CONTENTS (cont'd)

- Case Study 5 — Request for Adjustment to EFC

3. Back at the Office

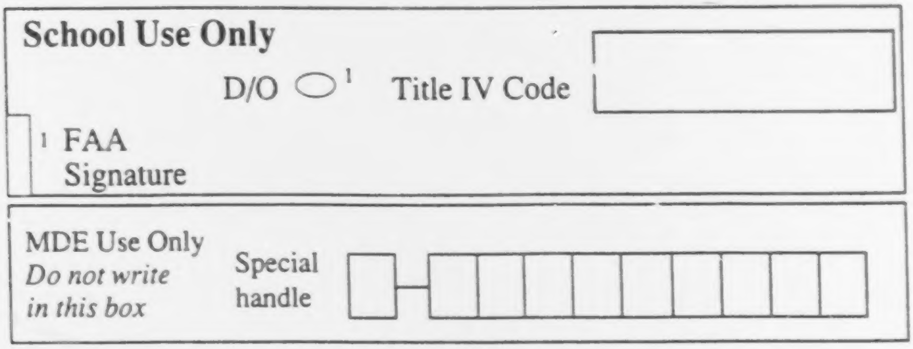
NEED TO KNOW

Professional Judgment Principles

- used only for unusual circumstances;
- applied on a case-by-case basis; and
- carefully documented in the student's file.

School Use Only

The following box appears at the bottom of Part 2 of the Student Aid Report and the last page of the FAFSA:



School Use Only

D/O ○ 1 Title IV Code

1 FAA Signature

MDE Use Only
Do not write in this box

Special handle

Sally Augustine
542 Cedric Lane
St. Louis, MO 05661

No. 831

Date: 7-2-98

Pay To The
Order Of Physical Therapy Practitioner $ 150.00

One Hundred Fifty and Zero Cents only Dollars

Blue Skies National Bank
St. Louis, MO 05661

FOR Rob's Physical Therapy

Sally Augustine

Sally Augustine
542 Cedric Lane
St. Louis, MO 05661

No. 837

Date: 7-9-98

Pay To The
Order Of Physical Therapy Practitioner $ 150.00

One Hundred Fifty and Zero Cents only Dollars

Blue Skies National Bank
St. Louis, MO 05661

FOR Rob's Physical Therapy

Sally Augustine

Sally Augustine
542 Cedric Lane
St. Louis, MO 05661

No. 849

Date: 7-16-98

Pay To The
Order Of Physical Therapy Practitioner $ 150.00

One Hundred Fifty and Zero Cents only Dollars

Blue Skies National Bank
St. Louis, MO 05661

FOR Rob's Physical Therapy

Sally Augustine

WEGOTCHA

New York, New York 20019-0015 • 212-081-0001•(fax) 212-081-0002

July 26, 1998

Dear Ms. Augustine:

We are not able to process your claim. Your health care policy does not cover physical therapy treatment. You may purchase additional coverage that includes physical therapy treatment for an additional fee.

If you have any questions about your health benefits or if you would like to purchase additional coverage, please call our customer service department between 8:00 a.m. and 4:30 p.m. Eastern Time.

Sincerely,

Lola Tune
Claims Adjuster

COA AND/OR EFC ADJUSTMENT

Name: Sally Augustine

Date: 08/24/98

SSN: 000-00-0000

Counselor: *F. A. Archer*

At the time the application was completed, Sally reported sizable assets. Two months prior to the school's start date, Sally's son was involved in an automobile accident that left him seriously injured, requiring physical therapy. Sally has presented canceled checks to show unreimbursed payment to the physical therapist (copies attached) and a letter from her insurance company stating that her son's physical therapy is not covered under her health insurance plan.

An adjustment is being made to her cash, savings, and checking data element to reflect the high medical expenses for Sally's injured son. The required physical therapy costs $150 per week for 30 weeks for a total of $4,500. This reduces her initial cash, savings, and checking figure of $5,000 to $500.

Her EFC was recalculated by the CPS and documented in her file.

ADJUSTED PACKAGING WORKSHEET

Name: Sally Augustine

Date: 08/24/98

SSN: 000-00-0000

Counselor: F. A. Archer

	Initial	Adjusted
Cost of Attendance (Campus-Based/FFEL)	$6,747	$6,747
- **Expected Family Contribution**	2890	0
= **Need**	**$3,857**	**$6,747**
- **Federal Pell Grant (from Payment Schedule)**	$0	$3,000
= **Remaining Need**	**$3,857**	**$3,747**
- **Other Aid** **State Grant** - $1,000 **Scholarship** - $1,000	$2,000	$2,000
= **Remaining Need**	**$1,857**	**$1,747**
- **FSEOG**	$0	$1,000
= **Remaining Need (subsidized Federal Stafford Eligibility)**	**$1,857**	**$ 747**

282

PRACTICE

Case Study 1 — Request for Dependency Override

Jane Smith, 20 years old, lives with her grandparents and has done so for the past five years, since her parents divorced. She does not know where her father is, but her mother has remarried and cannot work due to a disability. Jane has supported herself with part-time jobs and with some support from her grandparents. Jane would like to be considered independent.

1. What action would you take?

2. What factors were considered in reaching your decision?

3. What documentation would you request?

PRACTICE (cont'd)

Case Study 2 — Request for Dependency Override

Joyce Lane is 19 years old with one child. She has come to you to request that you make her an independent student. Joyce has a part-time job and is living with her parents. Both her parents teach in the public school system. Also, her parents provide most of Joyce's child's financial support.

1. What action would you take?

2. What factors were considered in reaching your decision?

3. What documentation would you request?

PRACTICE (cont'd)

Case Study 3 — Request for Adjustment to EFC

John Williams is one of three children and the only one attending college. Both his parents are employed and John was denied financial aid because his EFC was too high. John's father has lost his job.

1. What action would you take?

2. What factors were considered in reaching your decision?

3. What documentation would you request?

Case Study 4 — Request for Adjustment to Student's Cost of Attendance (Budget)

Lois Johnson is a full-time, third-year medical student and the mother of a nine-month old. Students enrolled in the third year of medical school are required to be on-call in the hospital for 36 hours straight. Lois needs child care during her normal work and school hours and also during this extended on-call time. The amount normally allotted to students with dependent children for child-care costs is insufficient in Lois's case. The student is requesting that her budget be adjusted to cover the additional cost in child care.

1. What action would you take?

2. What factors were considered in reaching your decision?

3. What documentation would you request?

Case Study 5 — Request for Adjustment to EFC

Susan James is 18 years old and the mother of two small children. They all live with her parents. She receives $400 a month in child support from the father of her children. During the mid-part of the award year, Susan advises her financial aid officer that the father of her children is now incarcerated and the support is no longer available.

1. What action would you take?

2. What things were considered in reaching your decision?

3. What documentation would you request?

BACK AT THE OFFICE

Back at the office, you should:

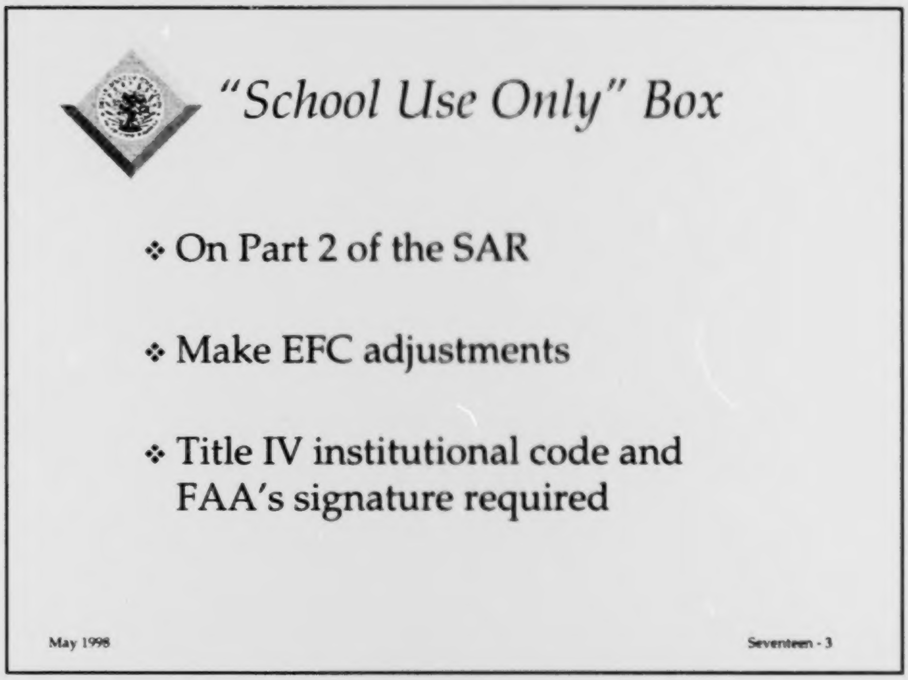
- Become familiar with or develop your own school policy for dealing with unusual circumstances and making professional judgments.
- ______________________________
- ______________________________
- ______________________________

Using Professional Judgment to Adjust a Student's Need

- Unusual circumstances
- Applied case-by-case only
- Justify and document in student's file

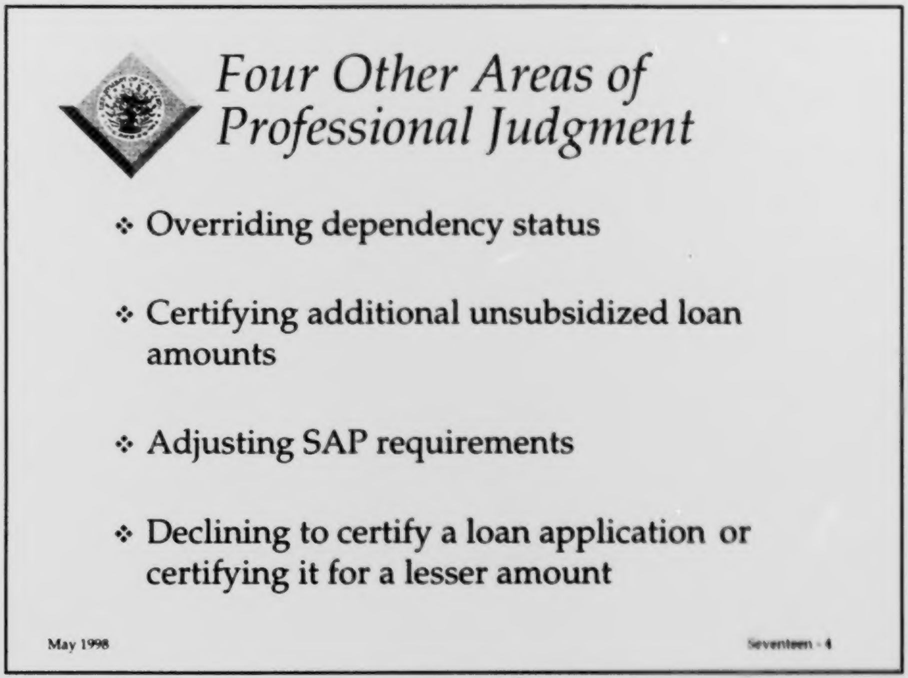
Where Professional Judgment Adjustments are Made

- COA
  (broad authority)
- EFC data elements
  - (limited authority)
  - never adjust EFC directly



"School Use Only" Box

- On Part 2 of the SAR
- Make EFC adjustments
- Title IV institutional code and FAA's signature required



Four Other Areas of Professional Judgment

- Overriding dependency status
- Certifying additional unsubsidized loan amounts
- Adjusting SAP requirements
- Declining to certify a loan application or certifying it for a lesser amount

Session 18a - Calculating Federal Pell Grant Award Amounts—Term-Based Using Credit Hours

By the end of this session, you will be able to:

- ***select appropriate Pell Grant formulas for different programs and***
- ***calculate students' expected Pell Grant disbursements for term-based, credit-hour programs.***

RESOURCES

The 1998-99 Federal Student Financial Aid Handbook, Chapter 4

SESSION CONTENTS

1. Need to Know
    - List — Five Steps to Determine Pell Grant Award
    - List — Rules for Rounding
    - Definitions
    - Chart — Statutory Definition of an Academic Year
    - List — Special Program Considerations
    - Chart — Selecting Federal Pell Grant Formulas

BEST COPY AVAILABLE

SESSION CONTENTS (CONT'D)

2. Practice
   - Exercise A — Selecting Which Formula to Use
   - Exercise B1 — Steps 1, 2, and 3 for Formula 1
     - ◊ Table — Pell Payment and Disbursement Schedules
   - Exercise B2 — Steps 4 and 5 for Formula 1
   - Exercise C — Formula 1 Calculation
   - Case Study — Formula 3: Term-Based, Credit-Hour Programs
3. Back at the Office
4. Answer Key

NEED TO KNOW

Five Steps to Determine Pell Grant Award

1. Determine enrollment status.
2. Calculate the Federal Pell Grant COA.
3. Determine the annual award.
4. Determine the payment periods.
5. Calculate the payment for each payment period.

Rules for Rounding

- Determine the total number of payment periods that require rounding.
- If the number of payment periods that require rounding is even, round the first disbursement up, the second down, the third up, and so on.

NEED TO KNOW (cont'd)

- If three payment periods require rounding, round up for the first two disbursements and down for the third disbursement.
- If five payment periods require rounding, round up for the first three disbursements and down for the last two.

Definitions

Academic Year:	time period of at least 30 weeks of instructional time during which a student must complete a certain number of hours (see chart on next page); also defined by number of terms (ie, fall-spring academic year)
Award Year:	July 1 through June 30 each year; contains all terms that occur within those dates, even if those terms are not part of academic year definition (ie, fall-spring academic year, but fall-spring-summer award year)
Calendar Weeks:	actual number of weeks in a given academic year
Weeks of Instructional Time:	weeks in academic year during which instruction occurs (also known in Pell calculations as weeks for which costs apply)
Standard Term:	semester, trimester or quarter; full time defined as 12 credit hours
Nonstandard Term:	any term that is not standard
Scheduled Award:	maximum Pell Grant student would get if enrolled full time over full academic year; student can not receive more than one Scheduled Award per award year
Annual Award:	Pell Grant amount student would get if enrolled at a given enrollment status over an entire academic year; if student enrolled full time over full year, than annual award would equal scheduled award

Statutory Definition of an Academic Year

Academic Progress Measured by:	Minimum Completion Requirement*	Minimum Instructional Time Requirement
Semester Hours	24 semester hours	30 weeks
Trimester Hours	24 trimester hours	30 weeks
Quarter Hours	36 quarter hours	30 weeks
Clock Hours	900 clock hours	30 weeks

***Number of hours that a student enrolled full time is expected to complete in a full academic year.**

Special Program Considerations

- Consortium agreements (among eligible schools)
- Cooperative education
- Correspondence study combined with regular study
- Foreign study
- Incarcerated students
- Job training (JTPA) programs
- Remedial course work
- Summer mini-sessions

Selecting Federal Pell Grant Formulas

Formula 1	Formula 2	Formula 3*	Formula 4	Formula 5
Credit-Hour Programs			**Credit or Clock-Hour Programs**	**Correspondence Study****
Standard terms (academic calendar = 2 semesters/trimesters or 3 quarters) May include summer as long as full time is 12 credits		Nonstandard terms or standard terms	Credit hours without terms or any clock-hour programs	Correspondence coursework
2 semesters/trimesters or 3 quarters offered in fall through spring		Academic calendar may be offered in any time frame	Academic calendar may be offered in any time frame	Schedule for submission of lessons based on 12 hours per week (nonterm) **or** 30 hours per semester/trimester **or** 20 hours per quarter
No overlapping terms		Terms may overlap	Not applicable	Not applicable
At least 30 weeks of instructional time in fall through spring terms***	**Less than** 30 weeks of instructional time in fall through spring terms***	Academic calendar may be more, less, or equal to 30 weeks of instructional time	Academic calendar may be more or less than 30 weeks of instructional time	Academic calendar may be more or less than 30 weeks of instructional time
Full-time ≥ 12 credit hours for **every** term in the award year		**Standard term**: Full-time ≥ 12 credit hours **Non standard term:** Full-time is calculated according to formula 690.63(d)	(Full-time Payment Schedule is always used, award is adjusted based on scheduled hours)	(Half-time Disbursement Schedule is always used)

*** For a summer mini-session, use Formula 3.**

**** Refers to correspondence only; awards for any residential portion are calculated using Formula 3 or Formula 4, as applicable.**

***** Under certain circumstances, the U.S. Department of Education (ED) may grant a school permission to use an academic year of fewer than 30 weeks. In such cases, the number of weeks of instruction used to determine the formula type is the reduced number approved by ED.**

BEST COPY AVAILABLE

Exercise A — Selecting Which Formula To Use

Each of the following questions describes a school and the way its program is structured. Use the chart, "Selecting Federal Pell Grant Formulas," on page 5 to help you determine which formula to use for each school.

1. Alexandria State University (ASU)

    - ASU offers a 4-year B.A. program.
    - The academic year (AY) is defined as 24 semester hours and 30 calendar weeks.
    - ASU's academic calendar has two 14-week semesters (fall and spring).
    - The terms do not overlap.
    - A 10-week summer term is offered.
    - Summer full-time is 12 credits.

    Which formula would you use? Why? ____________________

    ____

    ____

2. Julian Institute (JI)

    - JI offers a 2-year degree program.
    - The AY is defined as 36 quarter hours and 30 calendar weeks.
    - JI has three 10-week quarters (fall, winter, spring).
    - The terms do not overlap.
    - Two summer mini-sessions are offered. Each is 5 weeks long.
    - Summer full-time, per mini-session is 6 credits.

    Which formula would you use? Why? ____________________

    ____

    ____

Exercise A — Selecting Which Formula To Use (cont'd)

3. New West College (NWC)

- NWC offers a two-year associate degree program.
- The AY is defined as 24 semester hours and 30 calendar weeks.
- NWC's academic calendar has two 15-week semesters (fall and spring).
- The terms do not overlap.
- A 10-week summer term is offered.
- Summer full-time is 12 credits.

Which formula would you use? Why? ______________________________

____

____

4. Horizon Technical College (HTC)

- HTC offers a 4-year degree program.
- The AY is defined as 24 semester hours and 30 calendar weeks .
- HTC has two 15-week semesters (fall and spring).
- The terms do not overlap.
- An intersession between fall and spring is 4 weeks of instructional time, and full time in the intersession is 4 semester hours.
- The summer term has 10 weeks, and full time in the summer term is 12 hours.

Which formula would you use? Why? ______________________________

____

____

PRACTICE (cont'd)

Exercise B1 — Steps 1, 2, and 3 for Formula 1

Your school has two standard terms, fall and spring. The academic year is defined as 30 calendar weeks. Both students below are enrolled in an associate degree program with 30 weeks of instructional time in each academic year. The full-time COA for the academic year in this program is $3,350. Use the Pell Grant Payment Schedule, starting on page 10, to help you determine the annual award.

Student:	**Bill**
EFC:	**375**
Fall credits:	**12**
Spring credits:	**12**

Step 1: What is Bill's enrollment status? (check one per term)

Fall ☐ Full-time ☐ $^{3}/_{4}$-time ☐ $^{1}/_{2}$-time ☐ < $^{1}/_{2}$-time

Spring ☐ Full-time ☐ $^{3}/_{4}$-time ☐ $^{1}/_{2}$-time ☐ < $^{1}/_{2}$-time

Step 2 : What is Bill's Pell Grant COA? $ ____________________

Step 3: What is Bill's annual award? $ ____________________

Student:	**Janet**
EFC:	**1,050**
Fall credits:	**12**
Spring credits:	**6**

Step 1: What is Janet's enrollment status? (check one per term)

Fall ☐ Full-time ☐ $^{3}/_{4}$-time ☐ $^{1}/_{2}$-time ☐ < $^{1}/_{2}$-time

Spring ☐ Full-time ☐ $^{3}/_{4}$-time ☐ $^{1}/_{2}$-time ☐ < $^{1}/_{2}$-time

Step 2: What is Janet's Pell Grant COA? $ ____________________

Step 3: What is Janet's annual award?

Fall $ ____________________

Spring $ ____________________

Exercise B2 — Steps 4 and 5 for Formula 1

Student:	**Bill**
Fall Annual Award:	**$2,650**
Spring Annual Award:	**$2,650**

Step 4: What are the payment periods? ____________________

Step 5: What is the payment for each payment period?

Fall $ ____________________ (annual award ÷ 2)

Spring $ ____________________ (annual award ÷ 2)

Student:	**Janet**
Fall Annual Award:	**$1,950**
Spring Annual Award:	**$ 975**

Step 4: What are the payment periods? ____________________

Step 5: What is the payment for each payment period?

Fall $ ____________________ (annual award ÷ 2)

Spring $ ____________________ (annual award ÷ 2)

BEST COPY AVAILABLE

Full Time

Federal Pell Grant Program

Regular Payment Schedule for Determining Full-Time Scheduled Awards in the 1998-99 Award Period

January 1998

Cost of Attendance	Expected Family Contribution																													
	0 To 0	1 To 100	101 To 200	201 To 300	301 To 400	401 To 500	501 To 600	601 To 700	701 To 800	801 To 900	901 To 1000	1001 To 1100	1101 To 1200	1201 To 1300	1301 To 1400	1401 To 1500	1501 To 1600	1601 To 1700	1701 To 1800	1801 To 1900	1901 To 2000	2001 To 2100	2101 To 2200	2201 To 2300	2301 To 2400	2401 To 2500	2501 To 2600	2601 2700	2701 2800	2801 9999
0 - 99	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
100 - 199	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
200 - 299	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
300 - 399	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
400 - 499	450	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
500 - 599	550	500	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
600 - 699	650	600	500	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
700 - 799	750	700	600	500	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
800 - 899	850	800	700	600	500	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
900 - 999	950	900	800	700	600	500	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1000 - 1099	1050	1000	900	800	700	600	500	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1100 - 1199	1150	1100	1000	900	800	700	600	500	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1200 - 1299	1250	1200	1100	1000	900	800	700	600	500	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1300 - 1399	1350	1300	1200	1100	1000	900	800	700	600	500	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1400 - 1499	1450	1400	1300	1200	1100	1000	900	800	700	600	500	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1500 - 1599	1550	1500	1400	1300	1200	1100	1000	900	800	700	600	500	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1600 - 1699	1650	1600	1500	1400	1300	1200	1100	1000	900	800	700	600	500	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1700 - 1799	1750	1700	1600	1500	1400	1300	1200	1100	1000	900	800	700	600	500	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0
1800 - 1899	1850	1800	1700	1600	1500	1400	1300	1200	1100	1000	900	800	700	600	500	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0
1900 - 1999	1950	1900	1800	1700	1600	1500	1400	1300	1200	1100	1000	900	800	700	600	500	400	400	400	0	0	0	0	0	0	0	0	0	0	0
2000 - 2099	2050	2000	1900	1800	1700	1600	1500	1400	1300	1200	1100	1000	900	800	700	600	500	400	400	400	0	0	0	0	0	0	0	0	0	0
2100 - 2199	2150	2100	2000	1900	1800	1700	1600	1500	1400	1300	1200	1100	1000	900	800	700	600	500	400	400	400	0	0	0	0	0	0	0	0	0
2200 - 2299	2250	2200	2100	2000	1900	1800	1700	1600	1500	1400	1300	1200	1100	1000	900	800	700	600	500	400	400	400	0	0	0	0	0	0	0	0
2300 - 2399	2350	2300	2200	2100	2000	1900	1800	1700	1600	1500	1400	1300	1200	1100	1000	900	800	700	600	500	400	400	400	0	0	0	0	0	0	0
2400 - 2499	2450	2400	2300	2200	2100	2000	1900	1800	1700	1600	1500	1400	1300	1200	1100	1000	900	800	700	600	500	400	400	400	0	0	0	0	0	0
2500 - 2599	2550	2500	2400	2300	2200	2100	2000	1900	1800	1700	1600	1500	1400	1300	1200	1100	1000	900	800	700	600	500	400	400	400	0	0	0	0	0
2600 - 2699	2650	2600	2500	2400	2300	2200	2100	2000	1900	1800	1700	1600	1500	1400	1300	1200	1100	1000	900	800	700	600	500	400	400	400	0	0	0	0
2700 - 2799	2750	2700	2600	2500	2400	2300	2200	2100	2000	1900	1800	1700	1600	1500	1400	1300	1200	1100	1000	900	800	700	600	500	400	400	400	0	0	0
2800 - 2899	2850	2800	2700	2600	2500	2400	2300	2200	2100	2000	1900	1800	1700	1600	1500	1400	1300	1200	1100	1000	900	800	700	600	500	400	400	400	0	0
2900 - 2999	2950	2900	2800	2700	2600	2500	2400	2300	2200	2100	2000	1900	1800	1700	1600	1500	1400	1300	1200	1100	1000	900	800	700	600	500	400	400	400	0
3000 - 99999	3000	2950	2850	2750	2650	2550	2450	2350	2250	2150	2050	1950	1850	1750	1650	1550	1450	1350	1250	1150	1050	950	850	750	650	550	450	400	400	0

! Important: schools with tuitions and fees lower than $300 must use the alternate schedule for students in the cells outlined above.

BEST COPY AVAILABLE

3/4 Time

Federal Pell Grant Program

Regular Disbursement Schedule for Determining Three-Quarter-Time Annual Awards in the 1998-99 Award Period

January 1998

	Expected Family Contribution																													
Cost of Attendance	0 To 0	1 To 100	101 To 200	201 To 300	301 To 400	401 To 500	501 To 600	601 To 700	701 To 800	801 To 900	901 To 1000	1001 To 1100	1101 To 1200	1201 To 1300	1301 To 1400	1401 To 1500	1501 To 1600	1601 To 1700	1701 To 1800	1801 To 1900	1901 To 2000	2001 To 2100	2101 To 2200	2201 To 2300	2301 To 2400	2401 To 2500	2501 To 2600	2601 2700	2701 2800	2801 9999
0 - 99	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
100 - 199	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
200 - 299	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
300 - 399	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
400 - 499	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
500 - 599	413	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
600 - 699	488	450	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
700 - 799	563	525	450	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
800 - 899	638	600	525	450	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
900 - 999	713	675	600	525	450	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1000 - 1099	788	750	675	600	525	450	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1100 - 1199	863	825	750	675	600	525	450	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1200 - 1299	938	900	825	750	675	600	525	450	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1300 - 1399	1013	975	900	825	750	675	600	525	450	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1400 - 1499	1088	1050	975	900	825	750	675	600	525	450	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1500 - 1599	1163	1125	1050	975	900	825	750	675	600	525	450	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1600 - 1699	1238	1200	1125	1050	975	900	825	750	675	600	525	450	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1700 - 1799	1313	1275	1200	1125	1050	975	900	825	750	675	600	525	450	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1800 - 1899	1388	1350	1275	1200	1125	1050	975	900	825	750	675	600	525	450	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0
1900 - 1999	1463	1425	1350	1275	1200	1125	1050	975	900	825	750	675	600	525	450	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0
2000 - 2099	1538	1500	1425	1350	1275	1200	1125	1050	975	900	825	750	675	600	525	450	400	400	400	0	0	0	0	0	0	0	0	0	0	0
2100 - 2199	1613	1575	1500	1425	1350	1275	1200	1125	1050	975	900	825	750	675	600	525	450	400	400	400	0	0	0	0	0	0	0	0	0	0
2200 - 2299	1688	1650	1575	1500	1425	1350	1275	1200	1125	1050	975	900	825	750	675	600	525	450	400	400	400	0	0	0	0	0	0	0	0	0
2300 - 2399	1763	1725	1650	1575	1500	1425	1350	1275	1200	1125	1050	975	900	825	750	675	600	525	450	400	400	400	0	0	0	0	0	0	0	0
2400 - 2499	1838	1800	1725	1650	1575	1500	1425	1350	1275	1200	1125	1050	975	900	825	750	675	600	525	450	400	400	400	0	0	0	0	0	0	0
2500 - 2599	1913	1875	1800	1725	1650	1575	1500	1425	1350	1275	1200	1125	1050	975	900	825	750	675	600	525	450	400	400	400	0	0	0	0	0	0
2600 - 2699	1988	1950	1875	1800	1725	1650	1575	1500	1425	1350	1275	1200	1125	1050	975	900	825	750	675	600	525	450	400	400	400	0	0	0	0	0
2700 - 2799	2063	2025	1950	1875	1800	1725	1650	1575	1500	1425	1350	1275	1200	1125	1050	975	900	825	750	675	600	525	450	400	400	400	0	0	0	0
2800 - 2899	2138	2100	2025	1950	1875	1800	1725	1650	1575	1500	1425	1350	1275	1200	1125	1050	975	900	825	750	675	600	525	450	400	400	400	0	0	0
2900 - 2999	2213	2175	2100	2025	1950	1875	1800	1725	1650	1575	1500	1425	1350	1275	1200	1125	1050	975	900	825	750	675	600	525	450	400	400	400	0	0
3000 - 99999	2250	2213	2138	2063	1988	1913	1838	1763	1688	1613	1538	1463	1388	1313	1238	1163	1088	1013	938	863	788	713	638	563	488	413	400	400	0	0

! Important: schools with tuitions and fees lower than $300 must use the alternate schedule for students in the cells outlined above.

BEST COPY AVAILABLE

1/2 Time

Federal Pell Grant Program

Regular Disbursement Schedule for Determining Half-Time Annual Awards in the 1998-99 Award Period

January 1998

Cost of Attendance	Expected Family Contribution																													
	0 To 0	1 To 100	101 To 200	201 To 300	301 To 400	401 To 500	501 To 600	601 To 700	701 To 800	801 To 900	901 To 1000	1001 To 1100	1101 To 1200	1201 To 1300	1301 To 1400	1401 To 1500	1501 To 1600	1601 To 1700	1701 To 1800	1801 To 1900	1901 To 2000	2001 To 2100	2101 To 2200	2201 To 2300	2301 To 2400	2401 To 2500	2501 To 2600	2601 2700	2701 2800	2801 9999
0 - 99	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
100 - 199	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
200 - 299	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
300 - 399	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
400 - 499	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
500 - 599	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
600 - 699	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
700 - 799	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
800 - 899	425	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
900 - 999	475	450	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1000 - 1099	525	500	450	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1100 - 1199	575	550	500	450	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1200 - 1299	625	600	550	500	450	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1300 - 1399	675	650	600	550	500	450	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1400 - 1499	725	700	650	600	550	500	450	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1500 - 1599	775	750	700	650	600	550	500	450	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1600 - 1699	825	800	750	700	650	600	550	500	450	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1700 - 1799	875	850	800	750	700	650	600	550	500	450	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1800 - 1899	925	900	850	800	750	700	650	600	550	500	450	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1900 - 1999	975	950	900	850	800	750	700	650	600	550	500	450	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0
2000 - 2099	1025	1000	950	900	850	800	750	700	650	600	550	500	450	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0
2100 - 2199	1075	1050	1000	950	900	850	800	750	700	650	600	550	500	450	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0
2200 - 2299	1125	1100	1050	1000	950	900	850	800	750	700	650	600	550	500	450	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0
2300 - 2399	1175	1150	1100	1050	1000	950	900	850	800	750	700	650	600	550	500	450	400	400	400	400	400	0	0	0	0	0	0	0	0	0
2400 - 2499	1225	1200	1150	1100	1050	1000	950	900	850	800	750	700	650	600	550	500	450	400	400	400	400	400	0	0	0	0	0	0	0	0
2500 - 2599	1275	1250	1200	1150	1100	1050	1000	950	900	850	800	750	700	650	600	550	500	450	400	400	400	400	400	0	0	0	0	0	0	0
2600 - 2699	1325	1300	1250	1200	1150	1100	1050	1000	950	900	850	800	750	700	650	600	550	500	450	400	400	400	400	400	0	0	0	0	0	0
2700 - 2799	1375	1350	1300	1250	1200	1150	1100	1050	1000	950	900	850	800	750	700	650	600	550	500	450	400	400	400	400	400	0	0	0	0	0
2800 - 2899	1425	1400	1350	1300	1250	1200	1150	1100	1050	1000	950	900	850	800	750	700	650	600	550	500	450	400	400	400	400	400	0	0	0	0
2900 - 2999	1475	1450	1400	1350	1300	1250	1200	1150	1100	1050	1000	950	900	850	800	750	700	650	600	550	500	450	400	400	400	400	400	0	0	0
3000 - 99999	1500	1475	1425	1375	1325	1275	1225	1175	1125	1075	1025	975	925	875	825	775	725	675	625	575	525	475	425	400	400	400	400	0	0	0

! Important: schools with tuitions and fees lower than $300 must use the alternate schedule for students in the cells outlined above.

BEST COPY AVAILABLE

< 1/2 Time

Federal Pell Grant Program

Regular Disbursement Schedule for Determining Less-Than-Half-Time Annual Awards in the 1998-99 Award Period

January 1998

Cost of Attendance	Expected Family Contribution																													
	0 To 0	1 To 100	101 To 200	201 To 300	301 To 400	401 To 500	501 To 600	601 To 700	701 To 800	801 To 900	901 To 1000	1001 To 1100	1101 To 1200	1201 To 1300	1301 To 1400	1401 To 1500	1501 To 1600	1601 To 1700	1701 To 1800	1801 To 1900	1901 To 2000	2001 To 2100	2101 To 2200	2201 To 2300	2301 To 2400	2401 To 2500	2501 To 2600	2601 2700	2701 2800	2801 9999
0 - 99	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
100 - 199	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
200 - 299	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
300 - 399	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
400 - 499	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
500 - 599	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
600 - 699	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
700 - 799	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
800 - 899	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
900 - 999	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1000 - 1099	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1100 - 1199	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1200 - 1299	400	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1300 - 1399	400	400	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1400 - 1499	400	400	400	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1500 - 1599	400	400	400	400	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1600 - 1699	413	400	400	400	400	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1700 - 1799	438	425	400	400	400	400	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1800 - 1899	463	450	425	400	400	400	400	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1900 - 1999	488	475	450	425	400	400	400	400	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2000 - 2099	513	500	475	450	425	400	400	400	400	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2100 - 2199	538	525	500	475	450	425	400	400	400	400	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2200 - 2299	563	550	525	500	475	450	425	400	400	400	400	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2300 - 2399	588	575	550	525	500	475	450	425	400	400	400	400	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0
2400 - 2499	613	600	575	550	525	500	475	450	425	400	400	400	400	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0
2500 - 2599	638	625	600	575	550	525	500	475	450	425	400	400	400	400	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0
2600 - 2699	663	650	625	600	575	550	525	500	475	450	425	400	400	400	400	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0
2700 - 2799	688	675	650	625	600	575	550	525	500	475	450	425	400	400	400	400	400	400	400	400	400	0	0	0	0	0	0	0	0	0
2800 - 2899	713	700	675	650	625	600	575	550	525	500	475	450	425	400	400	400	400	400	400	400	400	400	0	0	0	0	0	0	0	0
2900 - 2999	738	725	700	675	650	625	600	575	550	525	500	475	450	425	400	400	400	400	400	400	400	400	400	0	0	0	0	0	0	0
3000 - 99999	750	738	713	688	633	638	613	588	563	538	513	488	463	438	413	400	400	400	400	400	400	400	400	0	0	0	0	0	0	0

! Important: schools with tuitions and fees lower than $300 must use the alternate schedule for students in the cells outlined above.

Exercise C — Formula 1 Calculation

Larry is enrolled at Woodride College as a half-time student in a program for the full academic year. The school is on the quarter system, with three quarters (fall, winter, spring) making up the academic year. The full-time COA is $3,350. Larry's EFC is 150.

Step 1: Enrollment Status - Fall = ____________________________

Enrollment Status - Winter = __________________________

Enrollment Status - Spring = __________________________

Step 2: Pell COA = ___________________________

Step 3: Annual Award - Fall = __________________________

Annual Award - Winter = _______________________

Annual Award - Spring = _______________________

Step 4: # Payment Periods = ________________

Step 5: Payment/Payment Period -

Fall = _______________________

Winter = _____________________

Spring = _____________________

308

PRACTICE (cont'd)

Case Study — Formula 3: Term-Based, Credit-Hour Programs

Directions: Read the following scenario, then calculate Federal Pell Grant payments for each term using Formula 3.

School Information. The Julian Institute (JI) offers a 2-year degree program. Academic year (AY) is defined as 36 quarter hours and 30 calendar weeks. JI has three 10-week quarters (fall, winter, and spring). Terms do not overlap. Two summer mini-sessions are offered—each is 5 weeks long. Summer full-time per mini-session is 6 credits.

Student Information. Marie's EFC is 550. Cost of attendance* for 3 quarters is as follows:

$ 2,000	Tuition and fees
3,000	Room and board** (not allowable for < $^{1}/_{2}$-time).
200	Books and supplies
100	Transportation
100	Personal expenses** (not allowable for < $^{1}/_{2}$-time)
$ 5,400	**Total**

Marie will enroll:

Not enrolled	Fall 1998
4 credits	Winter 1999
12 credits	Spring 1999
6 credits	Summer #1 1999
6 credits	Summer #2 1999

* **Assume cost components for summer are the same.**

** **The following cost components are not allowable for less-than-half-time enrollment:**

1. **room and board**
2. **miscellaneous expenses**
3. **study abroad**
4. **employment-related expenses**
5. **loan fees**
6. **insurance premiums**

BEST COPY AVAILABLE

PRACTICE (cont'd)

Case Study — Formula 3: Term-Based, Credit-Hour Programs (cont'd)

1. Enrollment Status: (only for terms that student attends)

Fall	__ Full-time	__ $^3/_4$-time	__ $^1/_2$-time	__ < $^1/_2$-time
Winter	__ Full-time	__ $^3/_4$-time	__ $^1/_2$-time	__ < $^1/_2$-time
Spring	__ Full-time	__ $^3/_4$-time	__ $^1/_2$-time	__ < $^1/_2$-time
Summer 1	__ Full-time	__ $^3/_4$-time	__ $^1/_2$-time	__ < $^1/_2$-time
Summer 2	__ Full-time	__ $^3/_4$-time	__ $^1/_2$-time	__ < $^1/_2$-time

2. Full time COA:

	☐	Total
X	☐	Proration ratio (see below)
=	☐	Total COA for AY

Less than half time COA:	☐	Total
X	☐	Proration ratio (see below)
=	☐	Total COA (< half time)

For proration ratio, use lesser of (1) or (2):

(1) $$\frac{\text{Weeks of instructional time in program's definition of AY*}}{\text{Weeks of instructional time for which costs apply}} = \boxed{\;\_\_\_\;}$$

(2) $$\frac{\text{Credit hours in program's definition of AY**}}{\text{Credit hours for which costs apply}} = \boxed{\;\_\_\_\;}$$

*** minimum of 30 weeks**

**** minimum of 24 semester or 36 quarter hours**

PRACTICE (cont'd)

Case Study — Formula 3: Term-Based, Credit-Hour Programs (cont'd)

3. Annual Award: (from appropriate schedule based on term enrollment status and EFC = _____)

Winter	$
Spring	$
Summer 1	$
Summer 2	$

4. Payment Periods: Number of payment periods in award year in which the student is enrolled ☐

5. Payment for a Payment Period:*

$$\text{Annual award} \times \frac{\text{Weeks of instructional time in the term} \quad \boxed{}_{\text{Winter or Spring}} \text{ or } \boxed{}_{\text{Summer}}}{\text{Weeks of instructional time in program's definition of AY**} \quad \boxed{}}$$

*** A single disbursement may never exceed 50% of the annual award.**
**** Minimum of 30 weeks.**

Winter expected disbursement	______ x ______ =	$
Spring expected disbursement	______ x ______ =	$
Summer 1 expected disbursement	______ x ______ =	$
Summer 2 expected disbursement	______ x ______ =	$
Expected Federal Pell Grant for the award year	*Total*	$

Remember the rules for rounding

BACK AT THE OFFICE

Back at the office, you should:

- Select a Pell Grant formula for each educational program.
- Determine whether you will recalculate Pell for students whose enrollment status changes within a payment period.
- ______________________________
- ______________________________
- ______________________________

ANSWER KEY

Exercise A — Selecting Which Formula To Use

1. **Which formula would you use? Why?**

Formula 2 because there are fewer than 30 weeks of instructional time in fall through spring terms; there are only only 28 weeks here.

2. **Which formula would you use? Why?**

Formula 3 because the summer mini-sessions are not 12 credit hours.

Another option: **If the summer mini-sessions are combined into one summer term and full-time is defined as 12 credit hours for the combined summer term, Formula 1 could be used to calculate Federal Pell Grant eligibility. When summer mini-sessions are combined, a student who enrolls for 6 credit hours in only one of the summer mini-sessions would be considered to be half-time for the summer term.**

The financial aid office can use a different standard from the registrar's office to define full-time status for Title IV aid recipients, but the financial aid office standard must be used for all Title IV purposes.

3. **Which formula would you use? Why?**

Formula 1 because it meets all the criteria. The summer session has 12 credits.

4. **Which formula would you use? Why?**

Formula 3 because the intersession is a nonstandard term.

Another option: **Combine the intersession with one of the semesters so full time in all terms in the award year require 12 credits. Then you could use formula 1.**

Exercise B1 — Steps 1, 2, and 3 for Formula 1

Your school has two standard terms, fall and spring. The academic year is defined as 30 calendar weeks. Both students below are enrolled in an associate degree program with 30 weeks of instructional time in each academic year. The full-time COA for the academic year in this program is $3,350. Use the Pell Grant Payment Schedule, starting on page 10, to help you determine the annual award.

Student:	**Bill**
EFC:	**375**
Fall credits:	**12**
Spring credits:	**12**

Step 1: What is Bill's enrollment status? (check one per term)

Fall ☑ Full-time ☐ $^3/_4$-time ☐ $^1/_2$-time ☐ < $^1/_2$-time

Spring ☑ Full-time ☐ $^3/_4$-time ☐ $^1/_2$-time ☐ < $^1/_2$-time

Step 2 : What is Bill's Pell Grant COA? $ 3,350

Step 3: What is Bill's annual award? $ 2,650

Student:	**Janet**
EFC:	**1,050**
Fall credits:	**12**
Spring credits:	**6**

Step 1: What is Janet's enrollment status? (check one per term)

Fall ☑ Full-time ☐ $^3/_4$-time ☐ $^1/_2$-time ☐ < $^1/_2$-time

Spring ☐ Full-time ☐ $^3/_4$-time ☑ $^1/_2$-time ☐ < $^1/_2$-time

Step 2: What is Janet's Pell Grant COA? $ 3,350

Step 3: What is Janet's annual award?

Fall $ 1,950

Spring $ 975

ANSWER KEY (cont'd)

Exercise B2 — Steps 4 and 5 for Formula 1

Student :	**Bill**
Fall Annual Award:	**$2,650**
Spring Annual Award:	**$2,650**

Step 4: What are the payment periods? **Fall and Spring**

Step 5: What is the payment for each payment period?

Fall $ **1,325** (annual award ÷ 2)

Spring $ **1,325** (annual award ÷ 2)

Student:	**Janet**
Fall Annual Award:	**$1,950**
Spring Annual Award:	**$ 975**

Step 4: What are the payment periods? **Fall and Spring**

Step 5: What is the payment for each payment period?

Fall $ **975** (annual award ÷ 2)

Spring $ **488** (annual award ÷ 2)

BEST COPY AVAILABLE

Exercise C — Formula 1 Calculation

Larry is enrolled at Woodride College as a half-time student in a program for the full academic year. The school is on the quarter system, with three quarters (fall, winter, spring) making up the academic year. The full-time COA is $3,350. Larry's EFC is 150.

Step 1: **Enrollment Status - Fall =** half time

Enrollment Status - Winter = half time

Enrollment Status - Spring = half time

Step 2: **Pell COA =** $ 3,350

Step 3: **Annual Award - Fall =** $ 1,425

Annual Award - Winter = $ 1,425

Annual Award - Spring = $ 1,425

Step 4: **# Payment Periods =** 3

Step 5: **Payment/Payment Period -**

Fall = $ 475

Winter = $ 475

Spring = $ 475

Case Study — Formula 3: Term-Based, Credit-Hour Programs

Step 1 — Determine Enrollment Status: Student is not enrolled in the fall, is enrolled less than half time in the winter, is enrolled full time in the spring, and full time in each summer mini-session.

Step 2 — Calculate Cost of Attendance: Since the COA listed for the AY is for full-time, full-year costs, it does not need to be prorated. The school uses the same costs for all terms so the Federal Pell Grant COA for summer would be the same as the AY ($5,400). The COA for less-than-half-time enrollment, which excludes room and board and personal expenses, is $2,300.

Step 3 — Determine Annual Award: The winter annual award of $450 is taken from the less-than-half-time schedule (using a COA of $2,300). The spring annual award is taken from the full-time schedule (using a COA of $5,400). Since 6 credits is considered full-time during the summer, the student is enrolled full-time in each mini-session so $2,450 would be used as the annual award for the spring term and each summer session calculation.

Step 4 — Determine Payment Periods: The payment period would be the term. The student is enrolled for 4 terms in the award year, including summer.

Step 5 — Calculate Payment for a Payment Period: This formula allows for calculating payments for a mix of both standard and nonstandard terms. See Formula 3, Step 5, for the fraction that allows a comparison of the weeks in each separate term to the total weeks in the program's definition of AY.

($\$450 \times {}^{10}/_{30} = \$150$ for winter. $\$2{,}450 \times {}^{10}/_{30} = \$817$ for spring. $\$2{,}450 \times {}^{5}/_{30} = \$409$ for first mini-session and $\$408$ for second mini-session.)

Winter—$150
Spring—$817
Summer #1—$409
Summer #2—$408

Second Option: If the school chose to combine both summer #1 and summer #2 into one summer term and consider full-time in that term to be 12 credits, the school could use Formula 1 to calculate all of its Federal Pell Grant awards for all of its terms. In this situation, 12 credits is considered full-time in all terms. Since the student is taking 6 credits in each summer mini-session, the total projected enrollment for this student for the summer term would be 12 credits or full-time.

ANSWER KEY (cont'd)

Case Study — Formula 3: Term-Based, Credit-Hour Programs (cont'd)

1. Enrollment Status: (only for terms that student attends)

Fall	__ Full-time	__ $^3/_4$-time	__ $^1/_2$-time	__ < $^1/_2$-time
Winter	__ Full-time	__ $^3/_4$-time	__ $^1/_2$-time	✓ < $^1/_2$-time
Spring	✓ Full-time	__ $^3/_4$-time	__ $^1/_2$-time	__ < $^1/_2$-time
Summer 1	✓ Full-time	__ $^3/_4$-time	__ $^1/_2$-time	__ < $^1/_2$-time
Summer 2	✓ Full-time	__ $^3/_4$-time	__ $^1/_2$-time	__ < $^1/_2$-time

2. Full time COA:

	$ 5,400	Total
X	1	Proration ratio (see below)
=	$ 5,400	Total COA for AY
Less than half time COA:	$ 2,300	Total
X	1	Proration ratio (see below)
=	$ 2,300	Total COA (< half time)

For proration ratio, use lesser of (1) or (2):

(1) $$\frac{\text{Weeks of instructional time in program's definition of AY*}}{\text{Weeks of instructional time for which costs apply}} = \boxed{\frac{30}{30}}$$

(2) $$\frac{\text{Credit hours in program's definition of AY**}}{\text{Credit hours for which costs apply}} = \boxed{\frac{36}{36}}$$

* **minimum of 30 weeks**

** **minimum of 24 semester or 36 quarter hours**

ANSWER KEY (cont'd)

Case Study — Formula 3: Term-Based, Credit-Hour Programs (cont'd)

3. Annual Award: (from appropriate schedule based on term enrollment status and EFC = 550)

Winter $ 450

Spring $ 2,450

Summer 1 $ 2,450

Summer 2 $ 2,450

4. Payment Periods: Number of payment periods in award year in which the student is enrolled 4

5. Payment for a Payment Period:*

Annual award x Weeks of instructional time in the term (Winter or Spring 10 or Summer 5) / Weeks of instructional time in program's definition of AY** 30

*** A single disbursement may never exceed 50% of the annual award.**
**** Minimum of 30 weeks.**

Winter expected disbursement 450 x 10/30 = $ 150

Spring expected disbursement 2,450 x 10/30 = $ 817

Summer 1 expected disbursement 2,450 x 5/30 = $ 409

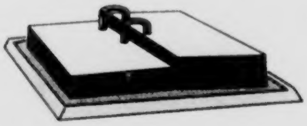
Summer 2 expected disbursement 2,450 x 5/30 = $ 408

Expected Federal Pell Grant for the award year *Total* $ 1,784

Remember the rules for rounding

Components for Calculating Pell Grant Awards

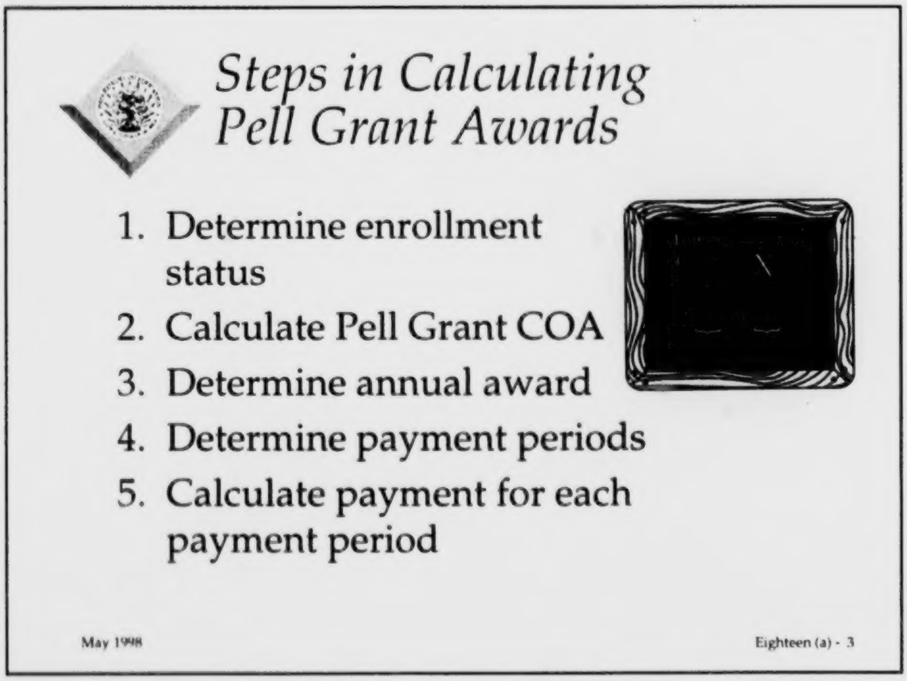
- 9-Month EFC from valid SAR or ISIR
- Academic year
- COA for academic year
- Enrollment status
- Length of period of enrollment



Statutory Definition of an Academic Year

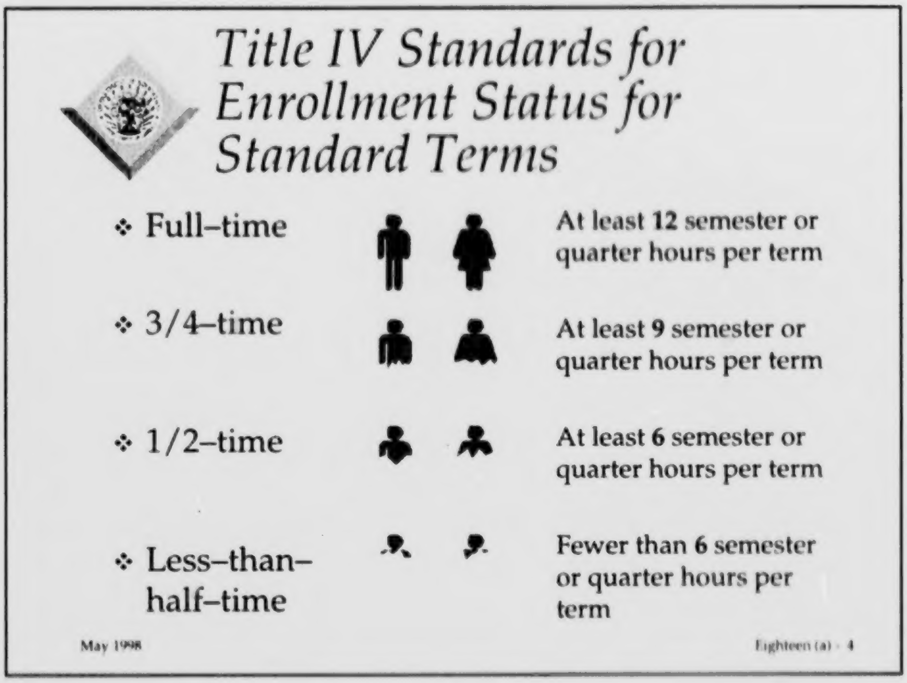
Academic Progress Measured By:	Minimum Completion Requirement*	Mimimum Instructional Time Requirement
Semester hours	24 semester hours	30 weeks
Trimester hours	24 trimester hours	30 weeks
Quarter hours	36 quarter hours	30 weeks
Clock hours	900 clock hours	30 weeks

*Number of hours that a student enrolled full time is expected to complete in a full academic year.



Steps in Calculating Pell Grant Awards

1. Determine enrollment status
2. Calculate Pell Grant COA
3. Determine annual award
4. Determine payment periods
5. Calculate payment for each payment period



Title IV Standards for Enrollment Status for Standard Terms

❖ Full–time	At least **12** semester or quarter hours per term
❖ 3/4–time	At least **9** semester or quarter hours per term
❖ 1/2–time	At least **6** semester or quarter hours per term
❖ Less–than–half–time	Fewer than **6** semester or quarter hours per term

Exercise B1: Pell Grant Disbursement Schedules

- Bill's annual award is $2,650 for both terms
- Janet's annual award is $1,950 for fall and $975 for spring

May 1998 Eighteen (a) - 5

Calculating the Payment for the Payment Period—Formula 1

$$\frac{\text{Annual award}}{\text{Payment periods in academic year}} = \text{Payment for each payment period}$$

May 1998 Eighteen (a) - 6

Exercise B2: Payment per Payment Period

- Bill disbursements:
  fall = $1,325 spring = $1,325

- Janet's disbursements:
  fall = $975 spring = $488

Exercise C: Larry

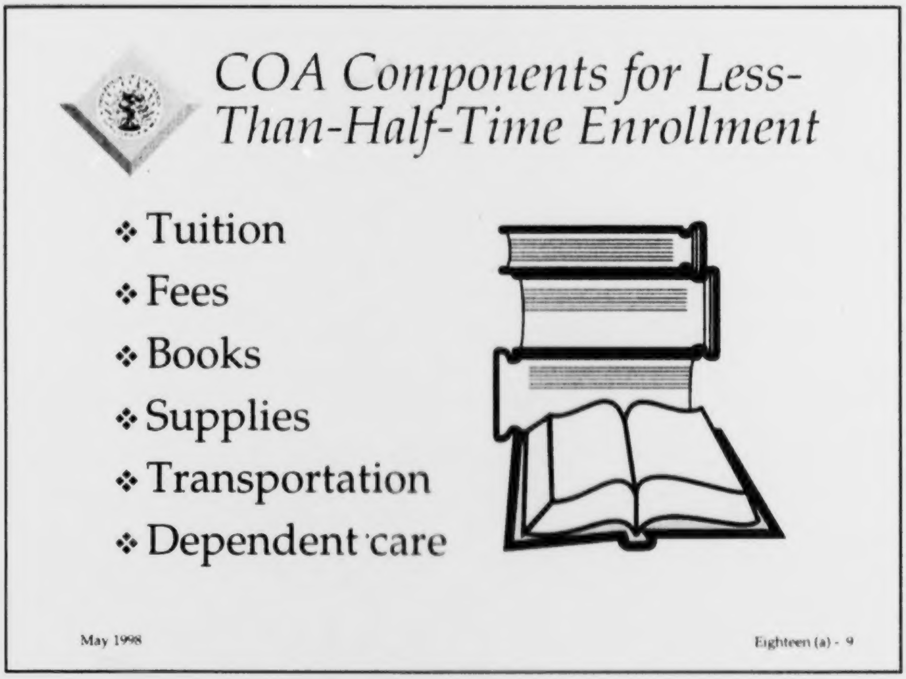
Step 1: Half time in all 3 quarters

Step 2: COA = $3,350

Step 3: Annual Award = $1,425/quarter

Step 4: Three payment periods

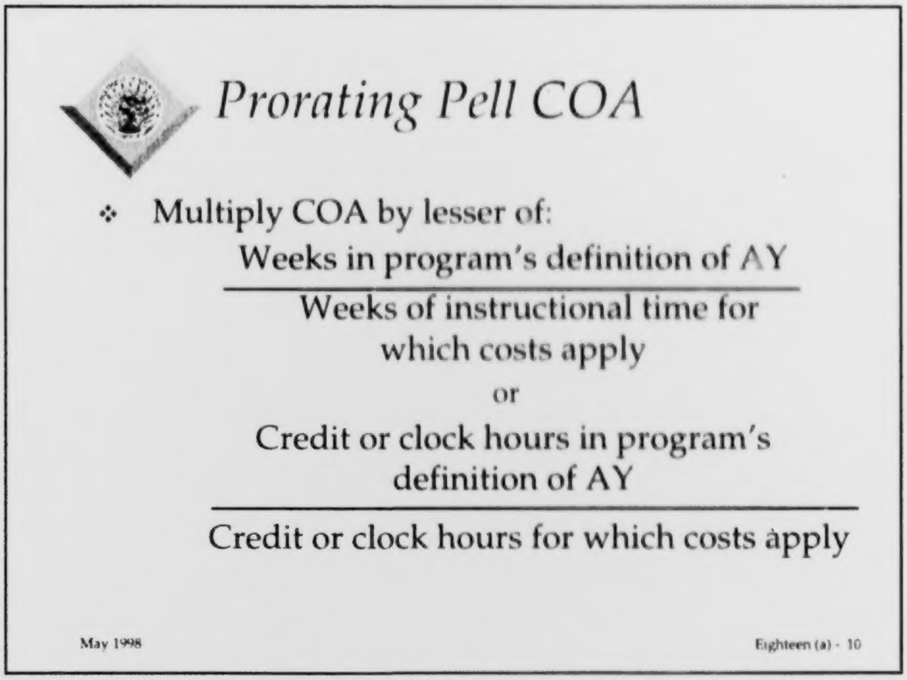
Step 5: $1,425 / 3 = $475 per quarter



COA Components for Less-Than-Half-Time Enrollment

- Tuition
- Fees
- Books
- Supplies
- Transportation
- Dependent care

May 1998 Eighteen (a) - 9



Prorating Pell COA

- Multiply COA by lesser of:

$$\frac{\text{Weeks in program's definition of AY}}{\text{Weeks of instructional time for which costs apply}}$$

or

$$\frac{\text{Credit or clock hours in program's definition of AY}}{\text{Credit or clock hours for which costs apply}}$$

May 1998 Eighteen (a) - 10

Formula 3: Step 5, Calculate Payment for Payment Period

$$\text{Annual Award} \times \frac{\text{Weeks of instructional time in the term}}{\text{Weeks of instructional time in program's definition of academic year}}$$

Case Study—Solution Step 1—Determine Enrollment Status

❖ Winter	< 1/2-time
❖ Spring	Full time
❖ Summer #1	Full time
❖ Summer #2	Full time

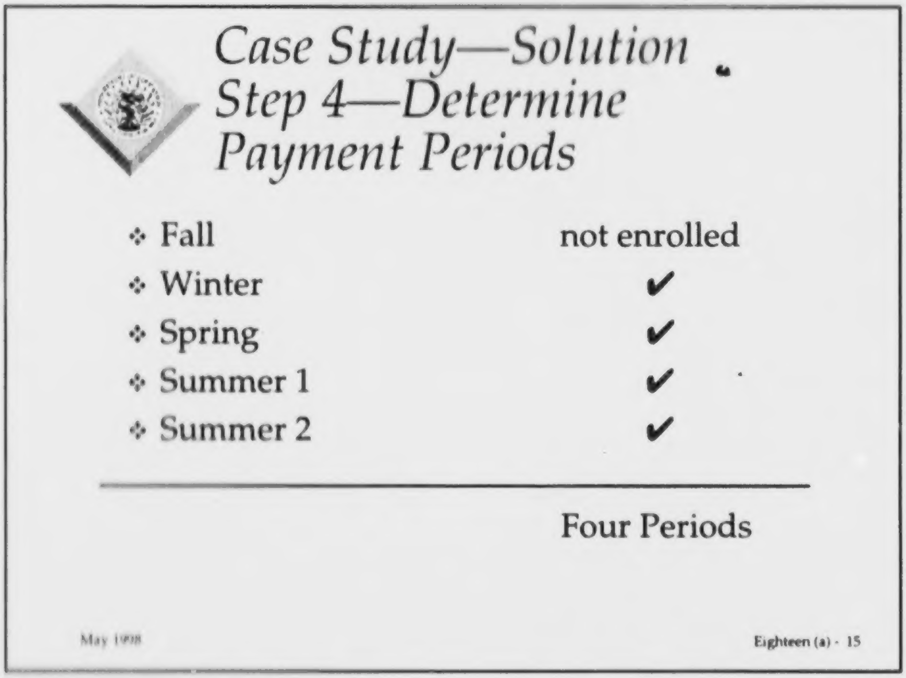
Case Study—Solution Step 2—Calculate Cost of Attendance

Full-time COA	$5,400
COA for less-than-half-time enrollment	$2,300

Proration ratios	30 weeks / 30 weeks
	36 hours / 36 hours

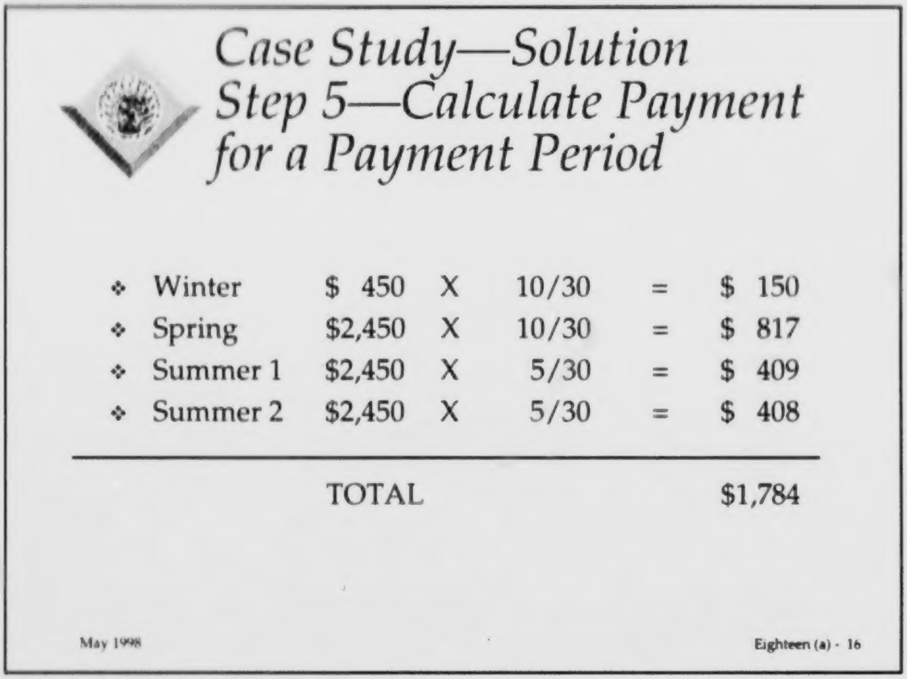
Case Study—Solution Step 3—Determine Annual Award

❖ Winter	$ 450
❖ Spring	$2,450
❖ Summer 1	$2,450
❖ Summer 2	$2,450



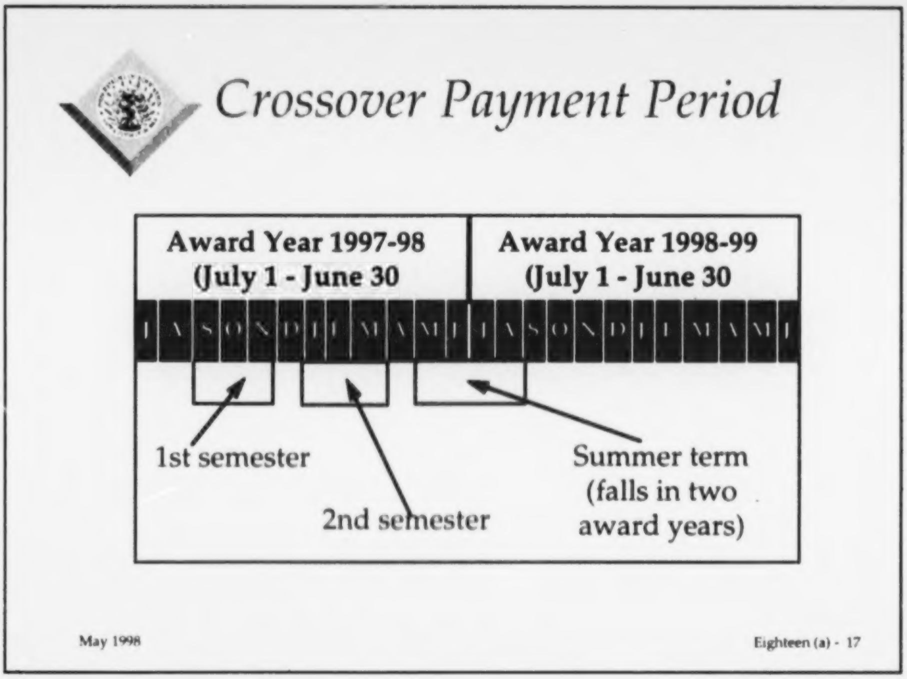
Case Study—Solution Step 4—Determine Payment Periods

❖ Fall	not enrolled
❖ Winter	✔
❖ Spring	✔
❖ Summer 1	✔
❖ Summer 2	✔
	Four Periods



Case Study—Solution Step 5—Calculate Payment for a Payment Period

❖ Winter	$ 450	X	10/30	=	$ 150
❖ Spring	$2,450	X	10/30	=	$ 817
❖ Summer 1	$2,450	X	5/30	=	$ 409
❖ Summer 2	$2,450	X	5/30	=	$ 408
	TOTAL				$1,784



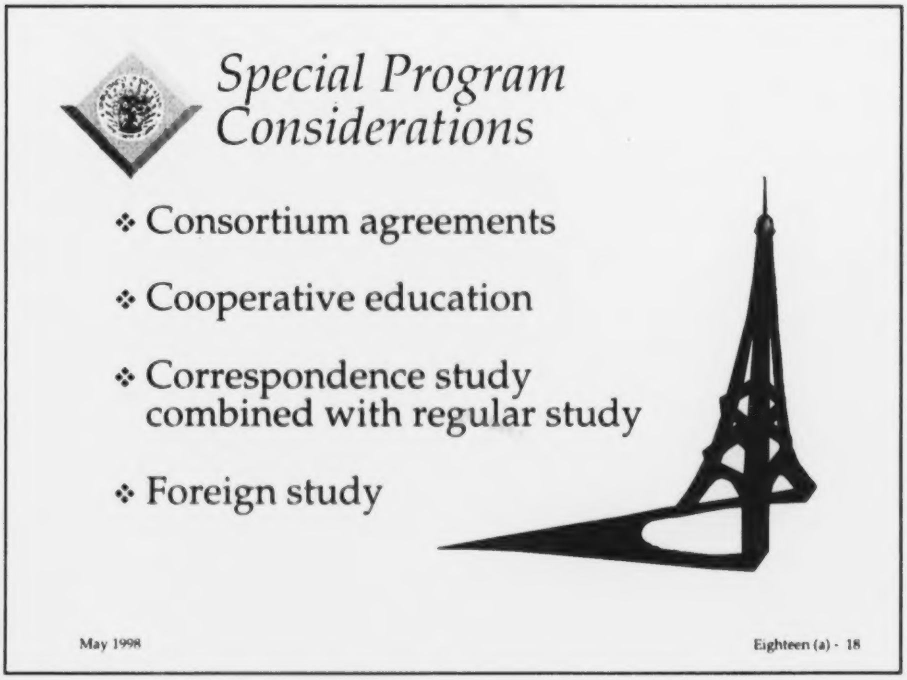
Crossover Payment Period

Award Year 1997-98 (July 1 - June 30	**Award Year 1998-99 (July 1 - June 30**

1st semester

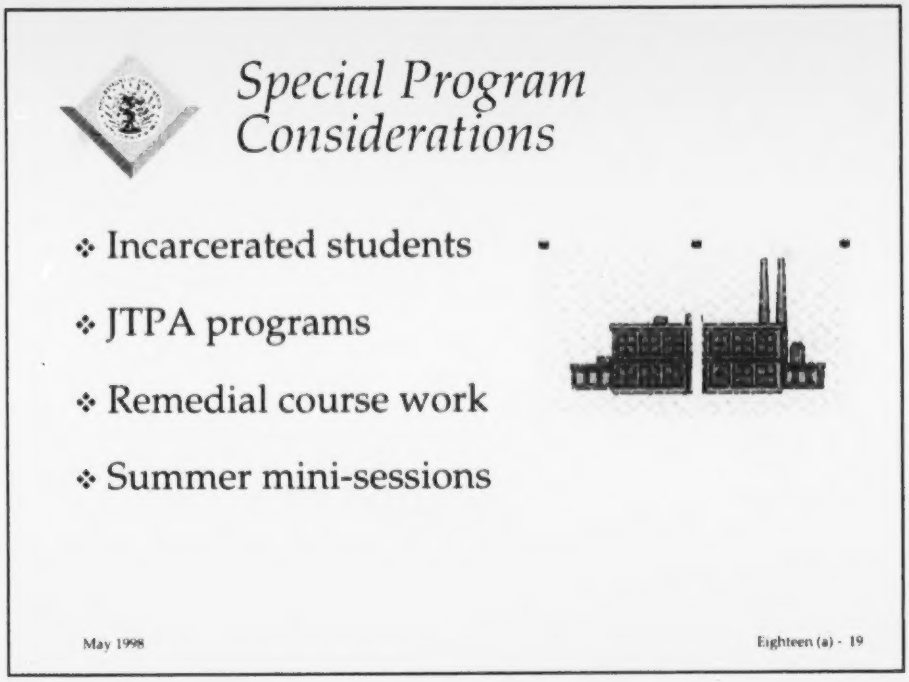
2nd semester

Summer term (falls in two award years)



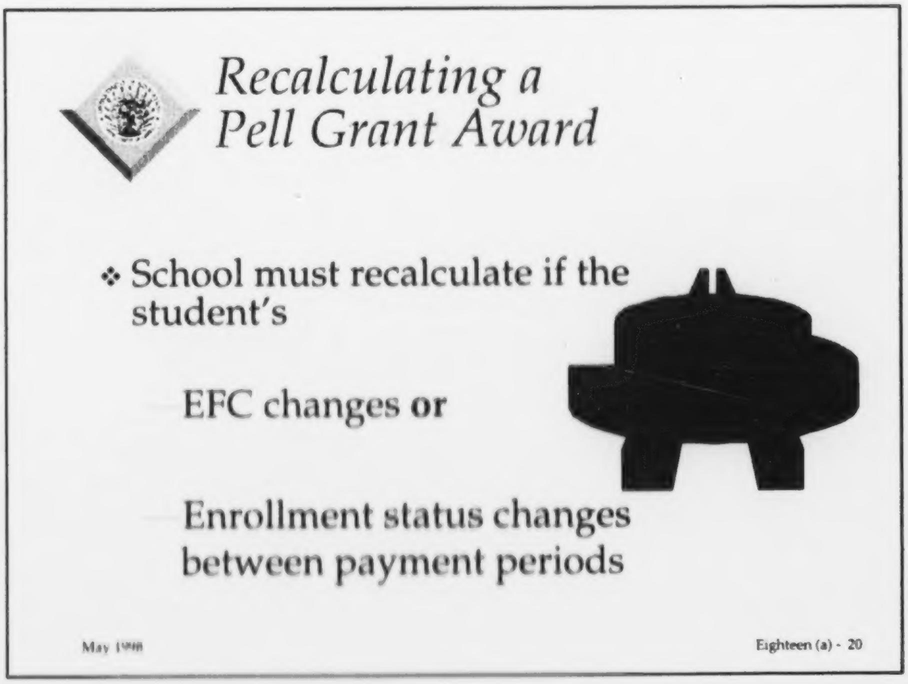
Special Program Considerations

- Consortium agreements
- Cooperative education
- Correspondence study combined with regular study
- Foreign study



Special Program Considerations

- Incarcerated students
- JTPA programs
- Remedial course work
- Summer mini-sessions



Recalculating a Pell Grant Award

- School must recalculate if the student's
  - EFC changes **or**
  - Enrollment status changes between payment periods

Session 18b - Calculating Federal Pell Grant Award Amounts—Credit Hours Without Terms and Clock Hours

By the end of this session, you will be able to:

- ***calculate students' Pell Grant disbursements for programs offered in credit hours without terms and programs offered in clock hours.***

RESOURCES

The 1998-99 Federal Student Financial Aid Handbook, Chapter 4

SESSION CONTENTS

1. Need to Know
    - Chart — Statutory Definition of an Academic Year
    - List — Five Steps to Determine Pell Grant Award
    - Lecture Notes
    - List — Rules for Rounding
    - List — Special Program Considerations
    - Chart — Selecting Federal Pell Grant Formulas
2. Practice
    - Exercise A — Steps 1 and 2 (Formula 4)

BEST COPY AVAILABLE

SESSION CONTENTS (cont'd)

- ◆ Exercise B — Step 3 (Formula 4)
    - ◊ Table — Pell Payment Schedule
    - ◊ Drill — Determining Payment Periods (Formula 4)
- ◆ Exercise C — Step 4 (Formula 4)
- ◆ Exercise D — Step 5 (Formula 4)
- ◆ Case Study — Formula 4

3. Back at the Office

4. Answer Key

Statutory Definition of an Academic Year

Academic Progress Measured by:	Minimum Completion Requirement*	Minimum Instructional Time Requirement
Semester Hours	24 semester hours	30 weeks
Trimester Hours	24 trimester hours	30 weeks
Quarter Hours	36 quarter hours	30 weeks
Clock Hours	900 clock hours	30 weeks

*Number of hours that a student enrolled full time is expected to complete in a full academic year.

Five Steps to Determine Pell Grant Award

1. Determine enrollment status.
2. Calculate the Pell Grant COA.
3. Determine the annual award.
4. Determine the payment periods.
5. Calculate the payment for each payment period.

Lecture Notes

Formula 4—Step 4: Determine the Payment Periods

Regulations on cash management, published November 29, 1996, provide new guidance on determining payment periods.

For all clock-hour programs and nonterm credit-hour programs, the payment period depends on the length of the program.

- For all programs shorter than or equal to one academic year:
  - Each payment period is the period of time in which the student completes half of the credit or clock hours **in the program**.
- For programs longer than an academic year:
  - For all full academic years in the program, each payment period is the time in which the student completes one-half of the credit or clock hours in the academic year;
  - For the final portion of the program that is less than an academic year but greater than half of an academic year in length, each payment period is the time in which the student completes one-half of the credit or clock hours remaining in the program; and
  - For the final portion of the program that is less than or equal to half an academic year, the payment period is simply the remainder of the program.

Rules for Rounding

The rules for rounding are as follows:

1. Determine the total number of payment periods that require rounding.
2. If the number of payment periods that require rounding is even, round the first disbursement up, the second down, the third up, and so on.
3. If three payment periods require rounding, round up for the first two disbursements and down for the third disbursement.
4. If five payment periods require rounding, round up for the first three disbursements and down for the last two.

Definitions

Academic Year:	time period of at least 30 weeks of instructional time during which a student must complete a certain number of hours (see chart on next page); also defined by number of terms (ie, fall-spring academic year)
Award Year:	July 1 through June 30 each year; contains all terms that occur within those dates, even if those terms are not part of academic year definition (ie, fall-spring academic year, but fall-spring-summer award year)
Calendar Weeks:	actual number of weeks in a given academic year
Weeks of Instructional Time:	weeks in academic year during which instruction occurs (also known in Pell calculations as weeks for which costs apply)
Standard Term:	semester, trimester or quarter; full time defined as 12 credit hours
Nonstandard Term:	any term that is not standard

NEED TO KNOW (cont'd)

Scheduled Award:	maximum Pell Grant student would get if enrolled full time over full academic year; student can not receive more than one Scheduled Award per award year
Annual Award:	Pell Grant amount student would get if enrolled at a given enrollment status over an entire academic year; if student enrolled full time over full year, than annual award would equal scheduled award

Selecting Federal Pell Grant Formulas

<table>
<tr><th>Formula 1</th><th>Formula 2</th><th>Formula 3*</th><th>Formula 4</th><th>Formula 5</th></tr>
<tr><td colspan="3">Credit-Hour Programs</td><td>Credit or Clock-Hour Programs</td><td>Correspondence Study**</td></tr>
<tr><td colspan="2">Standard terms (academic calendar = 2 semesters/trimesters or 3 quarters)
May include summer as long as full time is 12 credits</td><td>Nonstandard terms or standard terms</td><td>Credit hours without terms or any clock-hour programs</td><td>Correspondence course work</td></tr>
<tr><td colspan="2">2 semesters/trimesters or 3 quarters offered in fall through spring</td><td>Academic calendar may be offered in any time frame</td><td>Academic calendar may be offered in any time frame</td><td>Schedule for submission of lessons based on 12 hours per week (nonterm) or 30 hours per semester/trimester or 20 hours per quarter</td></tr>
<tr><td colspan="2">No overlapping terms</td><td>Terms may overlap</td><td>Not applicable</td><td>Not applicable</td></tr>
<tr><td>At least 30 weeks of instructional time in fall through spring terms***</td><td>Less than 30 weeks of instructional time in fall through spring terms***</td><td>Academic calendar may be more, less, or equal to than 30 weeks of instructional time</td><td>Academic calendar may be more or less than 30 weeks of instructional time</td><td>Academic calendar may be more or less than 30 weeks of instructional time</td></tr>
<tr><td colspan="2">Full-time ≥ 12 credit hours for every term in the award year</td><td>Standard term: Full-time ≥ 12 credit hours
Non standard term: Full-time is calculated according to formula 690.63(d)</td><td>(Full-time Payment Schedule is always used, award is adjusted based on scheduled hours)</td><td>(Half-time Disbursement Schedule is always used)</td></tr>
</table>

* For a summer mini-session, use Formula 3.

** Refers to correspondence only; awards for any residential portion are calculated using Formula 3 or Formula 4, as applicable.

*** Under certain circumstances, the U.S. Department of Education (ED) may grant a school permission to use an academic year of fewer than 30 weeks. In such cases, the number of weeks of instruction used to determine the formula type is the reduced number approved by ED.

PRACTICE

Exercise A — Steps 1 and 2 (Formula 4) - Helen

Helen is enrolled in a program that is 800 clock hours and 24 weeks long. Helen's school defines its academic year for all programs as 900 clock hours and 30 weeks of instructional time. Helen is enrolled for 30 clock hours per week. The total cost for the entire program is $5, 538.

Step 1: What is Helen's enrollment status?

☐ at least 1/2 time ☐ less than 1/2 time

Step 2: What is Helen's Pell Grant COA?

$$\frac{\text{\# of hours in \textbf{program's} definition of an academic year*}}{\text{\# of credit or clock hours for which costs apply}} = \frac{\boxed{\qquad\text{hrs.}}}{\boxed{\qquad\text{hrs.}}} = \boxed{\qquad}$$

** = statutory minimum of 24 semester, 24 trimester, 36 quarter, or 900 clock hours*

$$\frac{\text{\# of weeks in \textbf{program's} definition of an academic year**}}{\text{\# of weeks of instructional time for which costs apply}} = \frac{\boxed{\qquad\text{wks.}}}{\boxed{\qquad\text{wks.}}} = \boxed{\qquad}$$

*** = statutory minimum of 30 weeks*

Cost for the entire program		Lesser of two fractions		Pell Grant COA
$\boxed{\$\qquad}$	X	$\frac{\boxed{\qquad}}{\boxed{\qquad}}$	=	$\boxed{\$\qquad}$

PRACTICE (cont'd)

Exercise B — Step 3 (Formula 4) - Helen

As we determined, the full-time Pell Grant COA for the academic year in Helen's program is $6,230. Her EFC is 375.

Using the Pell Grant Payment Schedule starting on page 9, calculate Helen's annual award. $

Full Time

Federal Pell Grant Program

Regular Payment Schedule for Determining Full-Time Scheduled Awards in the 1998-99 Award Period

January 1998

	Expected Family Contribution																													
Cost of Attendance	0 To 0	1 To 100	101 To 200	201 To 300	301 To 400	401 To 500	501 To 600	601 To 700	701 To 800	801 To 900	901 To 1000	1001 To 1100	1101 To 1200	1201 To 1300	1301 To 1400	1401 To 1500	1501 To 1600	1601 To 1700	1701 To 1800	1801 To 1900	1901 To 2000	2001 To 2100	2101 To 2200	2201 To 2300	2301 To 2400	2401 To 2500	2501 To 2600	2601 2700	2701 2800	2801 9999
0 - 99	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
100 - 199	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
200 - 299	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
300 - 399	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
400 - 499	450	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
500 - 599	550	500	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
600 - 699	650	600	500	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
700 - 799	750	700	600	500	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
800 - 899	850	800	700	600	500	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
900 - 999	950	900	800	700	600	500	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1000 - 1099	1050	1000	900	800	700	600	500	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1100 - 1199	1150	1100	1000	900	800	700	600	500	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1200 - 1299	1250	1200	1100	1000	900	800	700	600	500	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1300 - 1399	1350	1300	1200	1100	1000	900	800	700	600	500	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1400 - 1499	1450	1400	1300	1200	1100	1000	900	800	700	600	500	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1500 - 1599	1550	1500	1400	1300	1200	1100	1000	900	800	700	600	500	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1600 - 1699	1650	1600	1500	1400	1300	1200	1100	1000	900	800	700	600	500	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1700 - 1799	1750	1700	1600	1500	1400	1300	1200	1100	1000	900	800	700	600	500	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0
1800 - 1899	1850	1800	1700	1600	1500	1400	1300	1200	1100	1000	900	800	700	600	500	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0
1900 - 1999	1950	1900	1800	1700	1600	1500	1400	1300	1200	1100	1000	900	800	700	600	500	400	400	400	0	0	0	0	0	0	0	0	0	0	0
2000 - 2099	2050	2000	1900	1800	1700	1600	1500	1400	1300	1200	1100	1000	900	800	700	600	500	400	400	400	0	0	0	0	0	0	0	0	0	0
2100 - 2199	2150	2100	2000	1900	1800	1700	1600	1500	1400	1300	1200	1100	1000	900	800	700	600	500	400	400	400	0	0	0	0	0	0	0	0	0
2200 - 2299	2250	2200	2100	2000	1900	1800	1700	1600	1500	1400	1300	1200	1100	1000	900	800	700	600	500	400	400	400	0	0	0	0	0	0	0	0
2300 - 2399	2350	2300	2200	2100	2000	1900	1800	1700	1600	1500	1400	1300	1200	1100	1000	900	800	700	600	500	400	400	400	0	0	0	0	0	0	0
2400 - 2499	2450	2400	2300	2200	2100	2000	1900	1800	1700	1600	1500	1400	1300	1200	1100	1000	900	800	700	600	500	400	400	400	0	0	0	0	0	0
2500 - 2599	2550	2500	2400	2300	2200	2100	2000	1900	1800	1700	1600	1500	1400	1300	1200	1100	1000	900	800	700	600	500	400	400	400	0	0	0	0	0
2600 - 2699	2650	2600	2500	2400	2300	2200	2100	2000	1900	1800	1700	1600	1500	1400	1300	1200	1100	1000	900	800	700	600	500	400	400	400	0	0	0	0
2700 - 2799	2750	2700	2600	2500	2400	2300	2200	2100	2000	1900	1800	1700	1600	1500	1400	1300	1200	1100	1000	900	800	700	600	500	400	400	400	0	0	0
2800 - 2899	2850	2800	2700	2600	2500	2400	2300	2200	2100	2000	1900	1800	1700	1600	1500	1400	1300	1200	1100	1000	900	800	700	600	500	400	400	400	0	0
2900 - 2999	2950	2900	2800	2700	2600	2500	2400	2300	2200	2100	2000	1900	1800	1700	1600	1500	1400	1300	1200	1100	1000	900	800	700	600	500	400	400	400	0
3000 - 99999	3000	2950	2850	2750	2650	2550	2450	2350	2250	2150	2050	1950	1850	1750	1650	1550	1450	1350	1250	1150	1050	950	850	750	650	550	450	400	400	0

! Important: schools with tuitions and fees lower than $300 must use the alternate schedule for students in the cells outlined above.

BEST COPY AVAILABLE

3/4 Time

Federal Pell Grant Program

Regular Disbursement Schedule for Determining
Three-Quarter-Time Annual Awards in the 1998-99 Award Period

January 1998

Cost of Attendance	Expected Family Contribution																													
	0 To 0	1 To 100	101 To 200	201 To 300	301 To 400	401 To 500	501 To 600	601 To 700	701 To 800	801 To 900	901 To 1000	1001 To 1100	1101 To 1200	1201 To 1300	1301 To 1400	1401 To 1500	1501 To 1600	1601 To 1700	1701 To 1800	1801 To 1900	1901 To 2000	2001 To 2100	2101 To 2200	2201 To 2300	2301 To 2400	2401 To 2500	2501 To 2600	2601 2700	2701 2800	2801 9999
0 - 99	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
100 - 199	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
200 - 299	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
300 - 399	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
400 - 499	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
500 - 599	413	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
600 - 699	488	450	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
700 - 799	563	525	450	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
800 - 899	638	600	525	450	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
900 - 999	713	675	600	525	450	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1000 - 1099	788	750	675	600	525	450	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1100 - 1199	863	825	750	675	600	525	450	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1200 - 1299	938	900	825	750	675	600	525	450	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1300 - 1399	1013	975	900	825	750	675	600	525	450	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1400 - 1499	1088	1050	975	900	825	750	675	600	525	450	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1500 - 1599	1163	1125	1050	975	900	825	750	675	600	525	450	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1600 - 1699	1238	1200	1125	1050	975	900	825	750	675	600	525	450	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1700 - 1799	1313	1275	1200	1125	1050	975	900	825	750	675	600	525	450	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1800 - 1899	1388	1350	1275	1200	1125	1050	975	900	825	750	675	600	525	450	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0
1900 - 1999	1463	1425	1350	1275	1200	1125	1050	975	900	825	750	675	600	525	450	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0
2000 - 2099	1538	1500	1425	1350	1275	1200	1125	1050	975	900	825	750	675	600	525	450	400	400	400	0	0	0	0	0	0	0	0	0	0	0
2100 - 2199	1613	1575	1500	1425	1350	1275	1200	1125	1050	975	900	825	750	675	600	525	450	400	400	400	0	0	0	0	0	0	0	0	0	0
2200 - 2299	1688	1650	1575	1500	1425	1350	1275	1200	1125	1050	975	900	825	750	675	600	525	450	400	400	400	0	0	0	0	0	0	0	0	0
2300 - 2399	1763	1725	1650	1575	1500	1425	1350	1275	1200	1125	1050	975	900	825	750	675	600	525	450	400	400	400	0	0	0	0	0	0	0	0
2400 - 2499	1838	1800	1725	1650	1575	1500	1425	1350	1275	1200	1125	1050	975	900	825	750	675	600	525	450	400	400	400	0	0	0	0	0	0	0
2500 - 2599	1913	1875	1800	1725	1650	1575	1500	1425	1350	1275	1200	1125	1050	975	900	825	750	675	600	525	450	400	400	400	0	0	0	0	0	0
2600 - 2699	1988	1950	1875	1800	1725	1650	1575	1500	1425	1350	1275	1200	1125	1050	975	900	825	750	675	600	525	450	400	400	400	0	0	0	0	0
2700 - 2799	2063	2025	1950	1875	1800	1725	1650	1575	1500	1425	1350	1275	1200	1125	1050	975	900	825	750	675	600	525	450	400	400	400	0	0	0	0
2800 - 2899	2138	2100	2025	1950	1875	1800	1725	1650	1575	1500	1425	1350	1275	1200	1125	1050	975	900	825	750	675	600	525	450	400	400	400	0	0	0
2900 - 2999	2213	2175	2100	2025	1950	1875	1800	1725	1650	1575	1500	1425	1350	1275	1200	1125	1050	975	900	825	750	675	600	525	450	400	400	400	0	0
3000 - 99999	2250	2213	2138	2063	1988	1913	1838	1763	1688	1613	1538	1463	1388	1313	1238	1163	1088	1013	938	863	788	713	638	563	488	413	400	400	0	0

I Important: schools with tuitions and fees lower than $300 must use the alternate schedule for students in the cells outlined above.

1/2 Time

Federal Pell Grant Program

Regular Disbursement Schedule for Determining Half-Time Annual Awards in the 1998-99 Award Period

January 1998

Cost of Attendance	Expected Family Contribution																													
	0 To 0	1 To 100	101 To 200	201 To 300	301 To 400	401 To 500	501 To 600	601 To 700	701 To 800	801 To 900	901 To 1000	1001 To 1100	1101 To 1200	1201 To 1300	1301 To 1400	1401 To 1500	1501 To 1600	1601 To 1700	1701 To 1800	1801 To 1900	1901 To 2000	2001 To 2100	2101 To 2200	2201 To 2300	2301 To 2400	2401 To 2500	2501 To 2600	2601 2700	2701 2800	2801 9999
0 - 99	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
100 - 199	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
200 - 299	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
300 - 399	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
400 - 499	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
500 - 599	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
600 - 699	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
700 - 799	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
800 - 899	425	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
900 - 999	475	450	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1000 - 1099	525	500	450	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1100 - 1199	575	550	500	450	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1200 - 1299	625	600	550	500	450	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1300 - 1399	675	650	600	550	500	450	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1400 - 1499	725	700	650	600	550	500	450	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1500 - 1599	775	750	700	650	600	550	500	450	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1600 - 1699	825	800	750	700	650	600	550	500	450	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1700 - 1799	875	850	800	750	700	650	600	550	500	450	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1800 - 1899	925	900	850	800	750	700	650	600	550	500	450	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1900 - 1999	975	950	900	850	800	750	700	650	600	550	500	450	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0
2000 - 2099	1025	1000	950	900	850	800	750	700	650	600	550	500	450	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0
2100 - 2199	1075	1050	1000	950	900	850	800	750	700	650	600	550	500	450	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0
2200 - 2299	1125	1100	1050	1000	950	900	850	800	750	700	650	600	550	500	450	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0
2300 - 2399	1175	1150	1100	1050	1000	950	900	850	800	750	700	650	600	550	500	450	400	400	400	400	400	0	0	0	0	0	0	0	0	0
2400 - 2499	1225	1200	1150	1100	1050	1000	950	900	850	800	750	700	650	600	550	500	450	400	400	400	400	400	0	0	0	0	0	0	0	0
2500 - 2599	1275	1250	1200	1150	1100	1050	1000	950	900	850	800	750	700	650	600	550	500	450	400	400	400	400	400	0	0	0	0	0	0	0
2600 - 2699	1325	1300	1250	1200	1150	1100	1050	1000	950	900	850	800	750	700	650	600	550	500	450	400	400	400	400	400	0	0	0	0	0	0
2700 - 2799	1375	1350	1300	1250	1200	1150	1100	1050	1000	950	900	850	800	750	700	650	600	550	500	450	400	400	400	400	400	0	0	0	0	0
2800 - 2899	1425	1400	1350	1300	1250	1200	1150	1100	1050	1000	950	900	850	800	750	700	650	600	550	500	450	400	400	400	400	400	0	0	0	0
2900 - 2999	1475	1450	1400	1350	1300	1250	1200	1150	1100	1050	1000	950	900	850	800	750	700	650	600	550	500	450	400	400	400	400	400	0	0	0
3000 - 99999	1500	1475	1425	1375	1325	1275	1225	1175	1125	1075	1025	975	925	875	825	775	725	675	625	575	525	475	425	400	400	400	400	0	0	0

I Important: schools with tuitions and fees lower than $300 must use the alternate schedule for students in the cells outlined above.

BEST COPY AVAILABLE

Federal Pell Grant Program

Regular Disbursement Schedule for Determining Less-Than-Half-Time Annual Awards in the 1998-99 Award Period

< 1/2 Time

January 1998

	Expected Family Contribution																												
Cost of Attendance	0 To 0	1 To 100	101 To 200	201 To 300	301 To 400	401 To 500	501 To 600	601 To 700	701 To 800	801 To 900	901 To 1000	1001 To 1100	1101 To 1200	1201 To 1300	1301 To 1400	1401 To 1500	1501 To 1600	1601 To 1700	1701 To 1800	1801 To 1900	1901 To 2000	2001 To 2100	2101 To 2200	2201 To 2300	2301 To 2400	2401 To 2500	2501 To 2600	2601 2700	2701 2800	2801 9999
0 - 99	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
100 - 199	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
200 - 299	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
300 - 399	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
400 - 499	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
500 - 599	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
600 - 699	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
700 - 799	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
800 - 899	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
900 - 999	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1000 - 1099	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1100 - 1199	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1200 - 1299	400	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1300 - 1399	400	400	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1400 - 1499	400	400	400	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1500 - 1599	400	400	400	400	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1600 - 1699	413	400	400	400	400	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1700 - 1799	438	425	400	400	400	400	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1800 - 1899	463	450	425	400	400	400	400	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1900 - 1999	488	475	450	425	400	400	400	400	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2000 - 2099	513	500	475	450	425	400	400	400	400	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2100 - 2199	538	525	500	475	450	425	400	400	400	400	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2200 - 2299	563	550	525	500	475	450	425	400	400	400	400	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2300 - 2399	588	575	550	525	500	475	450	425	400	400	400	400	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0
2400 - 2499	613	600	575	550	525	500	475	450	425	400	400	400	400	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0
2500 - 2599	638	625	600	575	550	525	500	475	450	425	400	400	400	400	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0
2600 - 2699	663	650	625	600	575	550	525	500	475	450	425	400	400	400	400	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0
2700 - 2799	688	675	650	625	600	575	550	525	500	475	450	425	400	400	400	400	400	400	400	400	400	0	0	0	0	0	0	0	0	0
2800 - 2899	713	700	675	650	625	600	575	550	525	500	475	450	425	400	400	400	400	400	400	400	400	400	0	0	0	0	0	0	0	0
2900 - 2999	738	725	700	675	650	625	600	575	550	525	500	475	450	425	400	400	400	400	400	400	400	400	400	0	0	0	0	0	0	0
3000 - 99999	750	738	713	688	663	638	613	588	563	538	513	488	463	438	413	400	400	400	400	400	400	400	400	0	0	0	0	0	0	0

! Important: schools with tuitions and fees lower than $300 must use the alternate schedule for students in the cells outlined above

BEST COPY AVAILABLE

PRACTICE (cont'd)

Drill — Determining Payment Periods (Formula 4)

The academic year at your school is 900 hours with 30 weeks of instructional time. Determine the payment periods for Jill and Phyllis, who are enrolled in different programs of study.

1. Jill is enrolled in a program that requires 1,500 hours to complete.

   What are her payment periods for the first academic year?

___ payment period	**___ payment period**	**___ payment period**
hrs.	hrs.	hrs.

   What are her payment periods for the second academic year?

___ payment period	**___ payment period**	**___ payment period**
hrs.	hrs.	hrs.

PRACTICE (cont'd)

Drill — Determining Payment Periods (Formula 4) (cont'd)

2. Phyllis is enrolled in a program that requires 2,000 hours to complete.

   What are her payment periods for the first academic year?

___ payment period	___ payment period	___ payment period
hrs.	hrs.	hrs.

   What are her payment periods for the second academic year?

___ payment period	___ payment period	___ payment period
hrs.	hrs.	hrs.

   What are her payment periods for the third academic year?

___ payment period	___ payment period	___ payment period
hrs.	hrs.	hrs.

Exercise C — Step 4 (Formula 4) - Helen

Now, back to Helen. So far, we've determined the following: (see page 8)

Enrollment Status: ________________ (Step 1)

Pell COA: ________________ (Step 2)

Annual Award: ________________ (Step 3)

Her program, remember, is 800 clock hours and 24 weeks long. The academic year for the program is defined as 900 clock hours and 30 weeks.

Step 4: What are Helen's payment periods?

___ payment period	___ payment period	___ payment period
hrs.	hrs.	hrs.

PRACTICE (cont'd)

Exercise D — Step 5 (Formula 4) - Helen

Directions: Calculate Helen's Pell Grant payment amount for each payment period.

Weeks of instructional time for a full-time student to complete hours in program

Weeks of instructional time in program's definition of academic year*

= wks. / wks.

****30 weeks minimum***

Weeks of instructional time for a full-time student to complete hours in the program's definition of academic year*

Weeks of instructional time in program's definition of academic year*

= wks. / wks.

****30 weeks minimum***

(lesser of the two fractions or 1)

(Annual award) $________ X weeks / weeks = $

(A)

How much is Helen's disbursement for the first payment period?

$ **(A)** **X** hrs. **Hours in payment period** / hrs. **Hours in academic year*** = $

An academic year of at least 30 weeks of instructional time.

Remember the rules FOR rounding

BEST COPY AVAILABLE

PRACTICE (cont'd)

Exercise D — Step 5 (Formula 4) (cont'd) - Helen

How much is Helen's disbursement for the second payment period?

$$\underset{\text{(A)}}{\boxed{\$\qquad\qquad}} \times \frac{\boxed{\qquad\quad\text{hrs.}}\ \textbf{payment period}}{\boxed{\qquad\quad\text{hrs.}}\ \textbf{academic year}} = \boxed{\$\qquad\qquad}$$

Remember the rules for rounding

CASE STUDY - ZOE

Formula 4 — All Clock-Hour Programs and Nonterm Credit-Hour Programs

Directions: Read the following scenario, then calculate Federal Pell Grant payments for each payment period.

School Information. McPherson Aeronautics offers an 840-clock-hour certificate program that most full-time students complete in 28 weeks of instructional time. The academic year (AY) is defined as 900 clock hours and 30 weeks of instructional time.

Student Information. Zoe's EFC is 168. Cost of attendance for the program is as follows:

$2,600	Tuition and fees
2,500	Room and board
550	Books and supplies
700	Transportation
900	Personal expenses
2,447	Dependent care
+ 110	Loan fees
$9,807	**Total**

Zoe will complete 30 clock hours per week.

PRACTICE (cont'd)

Formula 4 — All Clock-Hour Programs and Nonterm Credit-Hour Programs (cont'd)

1. Enrollment Status: ☐ At least half-time ☐ < half-time

2. Cost of Attendance:

$ Total

X Proration ratio (see below)

= $ Total COA for AY

For proration ratio, use lesser of (1) or (2):

(1) $\dfrac{\text{Credit or clock hours in program's definition of AY*}}{\text{Credit or clock hours for which costs apply}} = \dfrac{\quad}{\quad}$

(2) $\dfrac{\text{Weeks of instructional time in program's definition of AY**}}{\text{Weeks for which costs apply}} = \dfrac{\quad}{\quad}$

*****	**minimum of 30 weeks**
******	**minimum of 24 or 36 credit hours or 900 clock hours**

3. Annual Award: (from full-time Payment Schedule—EFC = _____) $

4. Payment Periods: Program length in credit or clock hours—use A or B

A. Program length ≤ Academic year: P.P = $^1/_2$ x program length

B. Program length >Academic year: *Use (1) + [(2) or (3)]*

(1) For each full AY: Payment period = $^1/_2$ x AY

(2) Final portion > 50%: Payment period = $^1/_2$ x final portion

(3) Final portion ≤ 50%: Payment period = final portion

PRACTICE (cont'd)

Formula 4 — All Clock-Hour Programs and Nonterm Credit-Hour Programs (cont'd)

5. Payment for a Payment Period:

(1) Annual award X the lesser of :

$$\boxed{\frac{\quad}{\quad}} = \frac{\text{Weeks of instructional time for a full-time student to complete hours in program}}{\text{Weeks of instructional time in program's definition of AY*}}$$

OR

$$\boxed{\frac{\quad}{\quad}} = \frac{\text{Weeks of instructional time for a full-time student to complete hours in AY}}{\text{Weeks of instructional time in program's definition of AY}}$$

OR

One (1)

> * minimum of 30 weeks
> ** minimum of 24 or 36 credit hours or 900 clock hours

Annual award $\boxed{} \times \boxed{} = \boxed{\$}$

(2) Result of (1) X $\frac{\text{Hours in payment period}}{\text{Hours in program's definition of AY**}}$ = Amount for Payment Period

$$\boxed{} \times \boxed{\frac{\quad}{\quad}} = \boxed{\$}$$

Payments: Hours ________ to ________ $\boxed{\$}$

Payments: Hours ________ to ________ + $\boxed{}$

Payments: Hours ________ to ________ + $\boxed{}$

Expected Federal Pell Grant for the program = $\boxed{\$}$

BACK AT THE OFFICE

Back at the office, you should:

- Determine the number of payment periods for each program.
- Decide if you will do the optional recalculation of Pell Grants for changes in enrollment status and for what time period.
- ____
- ____
- ____

ANSWER KEY

Exercise A — Steps 1 and 2 (Formula 4) - Helen

Helen is enrolled in a program that is 800 clock hours and 24 weeks long. Helen's school defines its academic year for all programs as 900 clock hours and 30 weeks of instructional time. Helen is enrolled for 30 clock hours per week. The total cost for the entire program is $5, 538.

Step 1: What is Helen's enrollment status?

☑ at least 1/2 time ☐ less than 1/2 time

Step 2: What is Helen's Pell Grant COA?

$$\frac{\text{\# of hours in } \textbf{program's} \textbf{ definition} \text{ of an academic year*}}{\text{\# of credit or clock hours for which costs apply}} = \frac{\boxed{900 \text{ hrs.}}}{\boxed{800 \text{ hrs.}}} = \boxed{1.125}$$

** = statutory minimum of 24 semester, 24 trimester, 36 quarter, or 900 clock hours*

$$\frac{\text{\# of weeks in } \textbf{program's} \text{ definition of an academic year**}}{\text{\# of weeks of instructional time for which costs apply}} = \frac{\boxed{30 \text{ wks.}}}{\boxed{24 \text{ wks.}}} = \boxed{1.25}$$

*** = statutory minimum of 30 weeks*

Cost for the entire program		Lesser of two fractions		Pell Grant COA
$ 5,538	X	900 / 800	=	$ 6,230

Exercise B — Step 3 (Formula 4) - Helen

As we determined, the full-time Pell Grant COA for the academic year in Helen's program is $6,230. Her EFC is 375.

Using the Full-Time Payment Schedule on page 9, calculate Helen's annual award.

$ 2,650

ANSWER KEY (cont'd)

Drill — Determining Payment Periods (Formula 4)

The academic year at your school is 900 hours with 30 weeks of instructional time. Determine the payment periods for Jill and Phyllis, who are enrolled in different programs of study.

1. Jill is enrolled in a program that requires 1,500 hours to complete.

   What are her payment periods for the first academic year?

1st payment period	**2nd** payment period	___ payment period
450 hrs.	450 hrs.	hrs.

   What are her payment periods for the second academic year?

1st payment period	**2nd** payment period	___ payment period
300 hrs.	300 hrs.	hrs.

ANSWER KEY (cont'd)

Drill — Determining Payment Periods (Formula 4) (cont'd)

2. Phyllis is enrolled in a program that requires 2,000 hours to complete.

What are her payment periods for the first academic year?

1st payment period	2nd payment period	___ payment period
450 hrs.	450 hrs.	hrs.

What are her payment periods for the second academic year?

1st payment period	2nd payment period	___ payment period
450 hrs.	450 hrs.	hrs.

What are her payment periods for the third academic year?

1 payment period	___ payment period	___ payment period
200 hrs.	hrs.	hrs.

ANSWER KEY (cont'd)

Exercise C — Step 4 (Formula 4) - Helen

Now, back to Helen. So far, we've determined the following:

Enrollment Status: **at least 1/2 time** (Step 1)

Pell COA: **$6,230** (Step 2)

Annual Award: **$2,650** (Step 3)

Her program, remember, is 800 clock hours and 24 weeks long. The academic year for the program is defined as 900 clock hours and 30 weeks.

Step 4: What are Helen's payment periods?

1st payment period	**2nd** payment period	___ payment period
400 hrs.	**400** hrs.	hrs.

ANSWER KEY (cont'd)

Exercise D — Step 5 (Formula 4)

Directions: Calculate Helen's Pell Grant payment amount for each payment period.

$$\frac{\text{Weeks of instructional time for a full-time student to complete hours in program}}{\text{Weeks of instructional time in program's definition of academic year*}} = \frac{\boxed{24 \text{ wks.}}}{\boxed{30 \text{ wks.}}}$$

**30 weeks minimum*

$$\frac{\text{Weeks of instructional time for a full-time student to complete hours in the program's definition of academic year*}}{\text{Weeks of instructional time in program's definition of academic year*}} = \frac{\boxed{30 \text{ wks.}}}{\boxed{30 \text{ wks.}}}$$

**30 weeks minimum*

(Lesser of the two fractions or 1)

$$\text{(Annual award) } \$\underline{2{,}650} \times \frac{\boxed{24 \text{ weeks}}}{\boxed{30 \text{ weeks}}} = \boxed{\$\ 2{,}120}$$

How much is Helen's disbursement for the first payment period?

$$\boxed{\$2{,}120} \times \frac{\boxed{400 \text{ hrs.}}\ \text{Hours in payment period}}{\boxed{900 \text{ hrs.}}\ \text{Hours in academic year*}} = \boxed{\$\ 943}$$

**An academic year of at least 30 weeks of instructional time.*

Remember the rules for rounding

BEST COPY AVAILABLE

ANSWER KEY (cont'd)

Exercise E — Step 5 (Formula 4) (cont'd) - Helen

How much is Helen's disbursement for the second payment period?

$$\boxed{\$2{,}120} \times \frac{\boxed{400 \text{ hrs.}} \text{ payment period}}{\boxed{900 \text{ hrs.}} \text{ academic year}} = \boxed{\$\ 942}$$

Remember the rules for rounding

CASE STUDY - ZOE

Directions: Read the following scenario, then calculate Federal Pell Grant payments for each payment period.

School Information. McPherson Aeronautics offers an 840-clock-hour certificate program that most full-time students complete in 28 weeks of instructional time. The academic year (AY) is defined as 900 clock hours and 30 weeks of instructional time.

Student Information. Zoe's EFC is 168. Cost of attendance for the program is as follows:

$2,600	Tuition and fees
2,500	Room and board
550	Books and supplies
700	Transportation
900	Personal expenses
2,447	Dependent care
+ 110	Loan fees
$9,807	**Total**

Zoe will complete 30 clock hours per week.

Case Study - Zoe

1. Enrollment Status: ☑ At least half-time ☐ < half-time

2. Cost of Attendance:

	$ 9,807	Total
X	30/28	Proration ratio (see below)
=	$ 10,508	Total COA for AY

For proration ratio, use lesser of (1) or (2):

(1) $\frac{\text{Credit or clock hours in program's definition of AY*}}{\text{Credit or clock hours for which costs apply}} = \frac{900}{840}$

(2) $\frac{\text{Weeks of instructional time in program's definition of AY**}}{\text{Weeks for which costs apply}} = \frac{30}{28}$

* minimum of 30 weeks
** minimum of 24 or 26 credit hours or 900 clock hours

3. Annual Award: (from full-time Payment Schedule—EFC = 168) $ 2,850

4. Payment Periods: Program length in credit or clock hours—use A or B 840

A. Program length ≤ Academic year: payment period = $^1/_2$ x AY 420

B. Program length >Academic year: *Use (1) + [(2) or (3)]*

(1) For each full AY: Payment period = $^1/_2$ x AY

(2) Final portion > 50%: Payment period = $^1/_2$ x final portion

(3) Final portion ≤ 50%: Payment period = final portion

ANSWER KEY (cont'd)

Formula 4 — All Clock-Hour Programs and Nonterm Credit-Hour Programs (cont'd)

5. Payment for a Payment Period:

(1) Annual award X the lesser of :

$$\boxed{\frac{28}{30}} = \frac{\text{Weeks of instructional time for a full-time student to complete hours in program}}{\text{Weeks of instructional time in program's definition of AY*}}$$

OR

$$\boxed{\frac{30}{30}} = \frac{\text{Weeks of instructional time for a full-time student to complete hours in AY}}{\text{Weeks of instructional time in program's definition of AY}}$$

OR

One (1)

> *** minimum of 30 weeks**
> **** minimum of 24 or 36 credit hours or 900 clock hours**

Annual award $\boxed{2{,}850}$ X $\boxed{28/30}$ = $\boxed{\$\ 2{,}660}$

(2) Result of (1) X

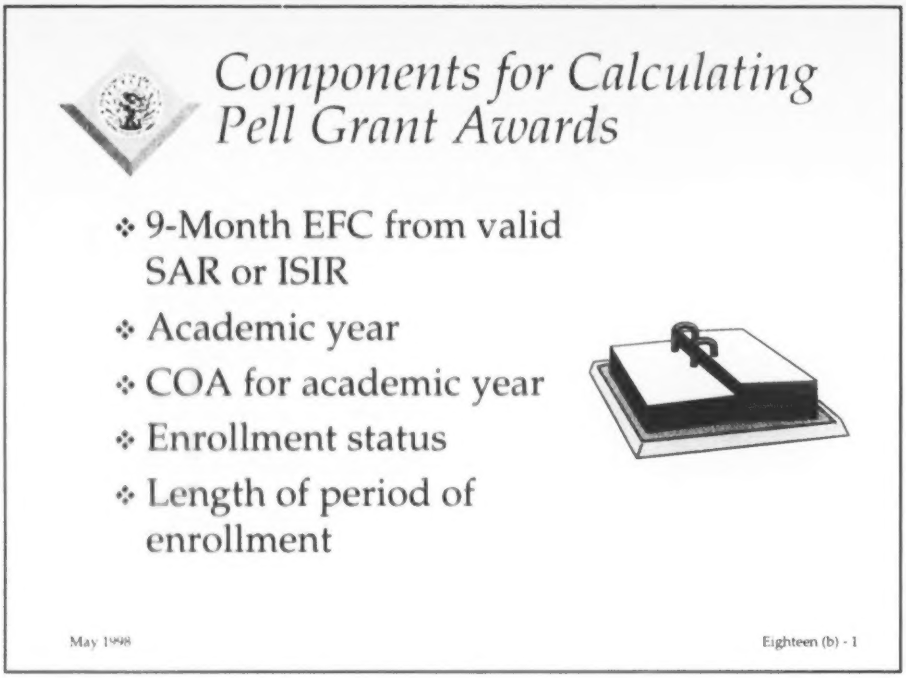
$$\frac{\text{Hours in payment period}}{\text{Hours in program's definition of AY**}} = \text{Amount for payment period}$$

$$\boxed{2{,}660} \times \boxed{\frac{420}{900}} = \boxed{\$\ 1{,}242}$$

Payments: Hours 1 to 420 $ 1,242

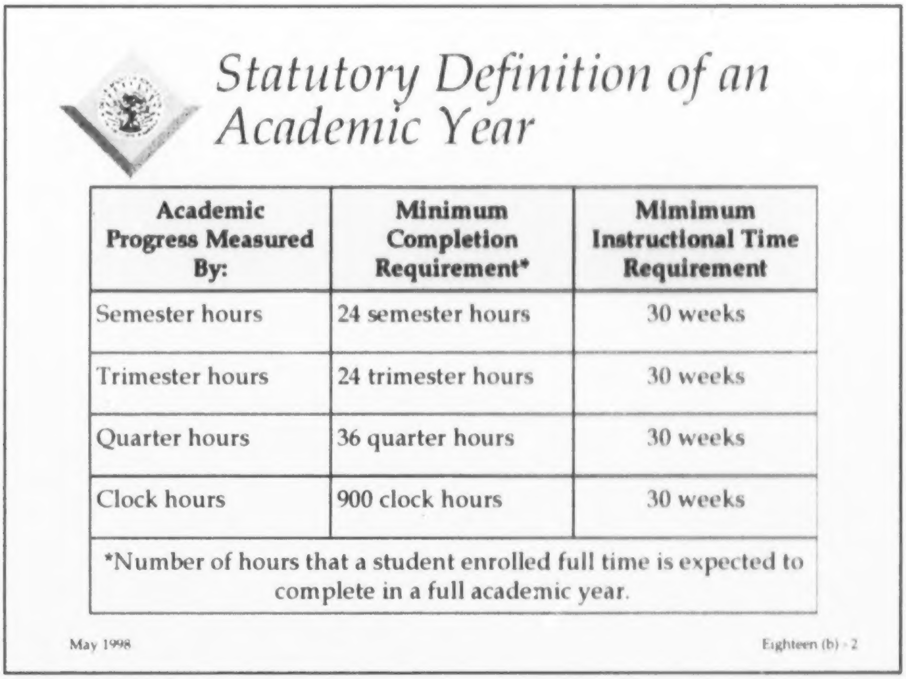
Payments: Hours 421 to 840 + $ 1,241

Expected Federal Pell Grant for the program = $ 2,483



Components for Calculating Pell Grant Awards

- 9-Month EFC from valid SAR or ISIR
- Academic year
- COA for academic year
- Enrollment status
- Length of period of enrollment



Statutory Definition of an Academic Year

Academic Progress Measured By:	Minimum Completion Requirement*	Mimimum Instructional Time Requirement
Semester hours	24 semester hours	30 weeks
Trimester hours	24 trimester hours	30 weeks
Quarter hours	36 quarter hours	30 weeks
Clock hours	900 clock hours	30 weeks
*Number of hours that a student enrolled full time is expected to complete in a full academic year.		

Steps in Calculating Pell Grant Awards

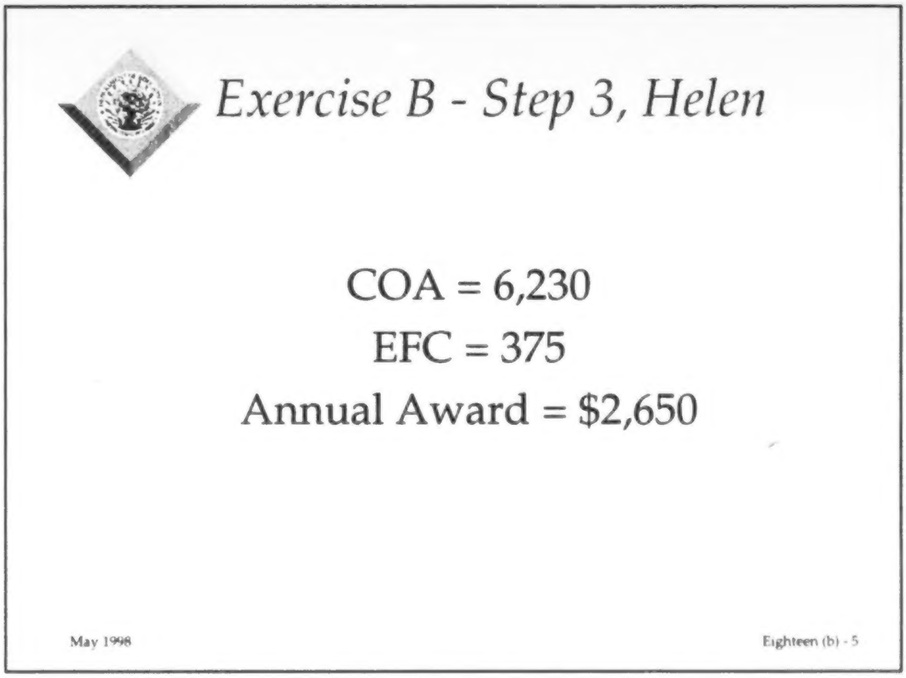
1. Determine enrollment status
2. Calculate Pell Grant COA
3. Determine annual award
4. Determine payment periods
5. Calculate payment for each payment period

Exercise A - Step 2 - Helen

$$\frac{\text{\# of hours in program's AY (900)}}{\text{\# of hours for which costs apply (800)}} = 1.125$$

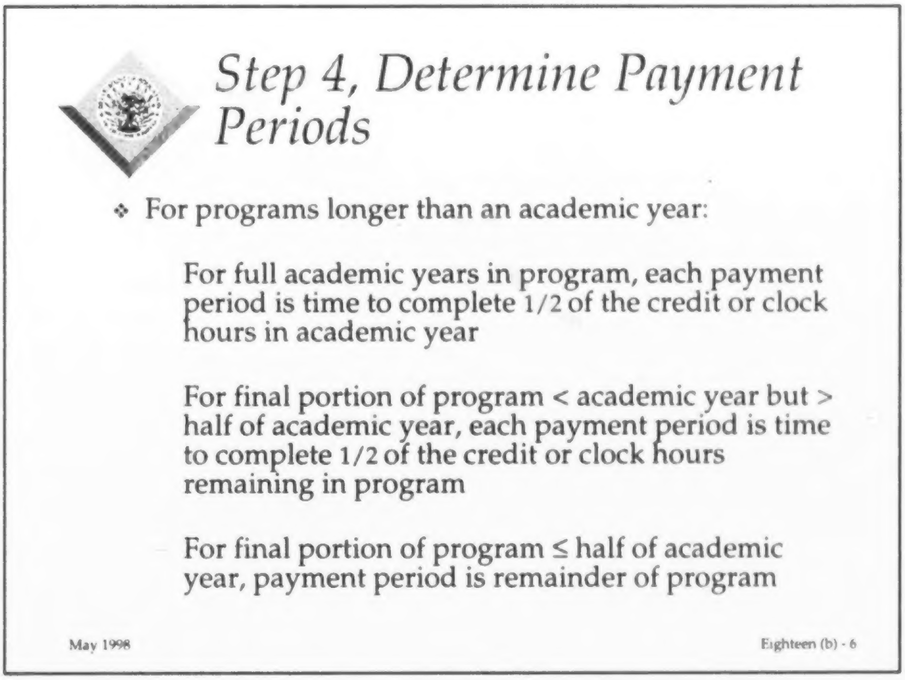
$$\frac{\text{\# of weeks in program's AY (30)}}{\text{\# of weeks for which costs apply (24)}} = 1.25$$

COA ($5,538) x 900/800 = **$6,230**



Exercise B - Step 3, Helen

COA = 6,230
EFC = 375
Annual Award = $2,650



Step 4, Determine Payment Periods

- For programs longer than an academic year:

  For full academic years in program, each payment period is time to complete 1/2 of the credit or clock hours in academic year

  For final portion of program < academic year but > half of academic year, each payment period is time to complete 1/2 of the credit or clock hours remaining in program

  For final portion of program ≤ half of academic year, payment period is remainder of program

Exercise C - Step 4, Helen

Two payment periods of
400 clock hours

Two Calculations for Pell Payment

1. Payment = Annual award x lesser of:

$$\frac{\text{Wks. of instr. time for FT student to complete hours in } \textbf{program}}{\text{Wks. of instr. time in program's definition of academic year*}}$$

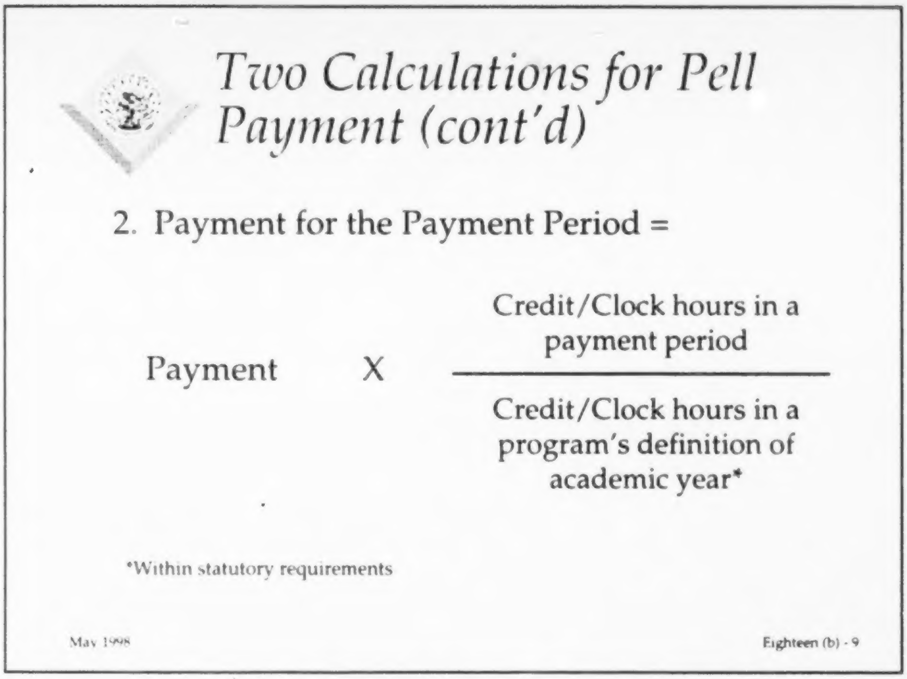
OR

$$\frac{\text{Wks. of instr. time for FT student to complete hours in school's definition of } \textbf{academic year*}}{\text{Wks. of instr. time in program's definition of academic year*}}$$

OR

1(one)

*Within statutory requirements

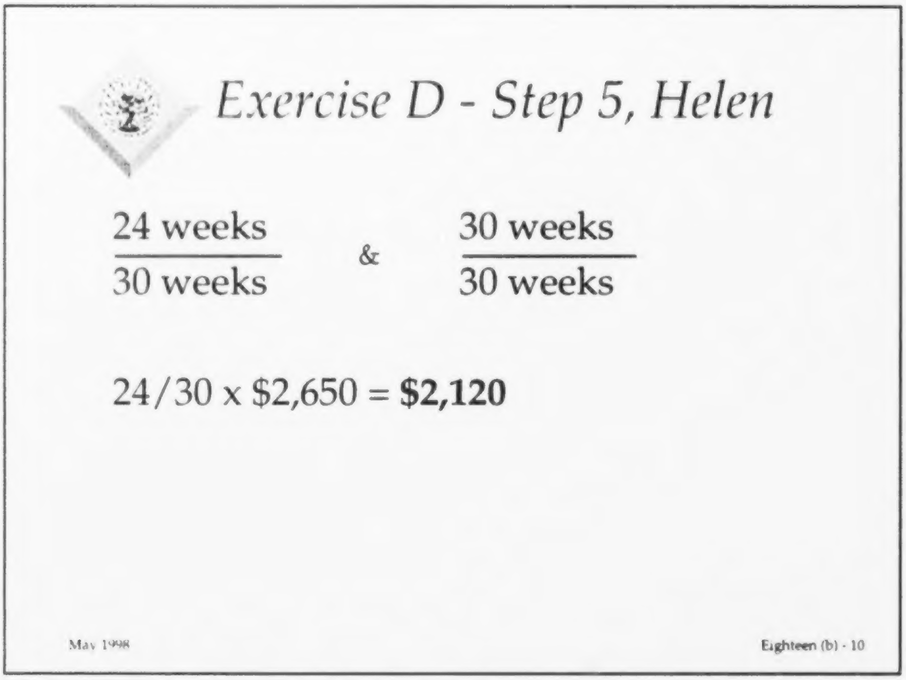


Two Calculations for Pell Payment (cont'd)

2. Payment for the Payment Period =

$$\text{Payment} \quad \text{X} \quad \frac{\text{Credit/Clock hours in a payment period}}{\text{Credit/Clock hours in a program's definition of academic year*}}$$

*Within statutory requirements



Exercise D - Step 5, Helen

$$\frac{\text{24 weeks}}{\text{30 weeks}} \quad \& \quad \frac{\text{30 weeks}}{\text{30 weeks}}$$

24/30 x $2,650 = **$2,120**

Exercise D - Step 5, Helen

$$\$2{,}120 \ \text{X} \ \frac{400 \text{ hours}}{900 \text{ hours}} = \$943 \text{ (1st p.p.)}$$

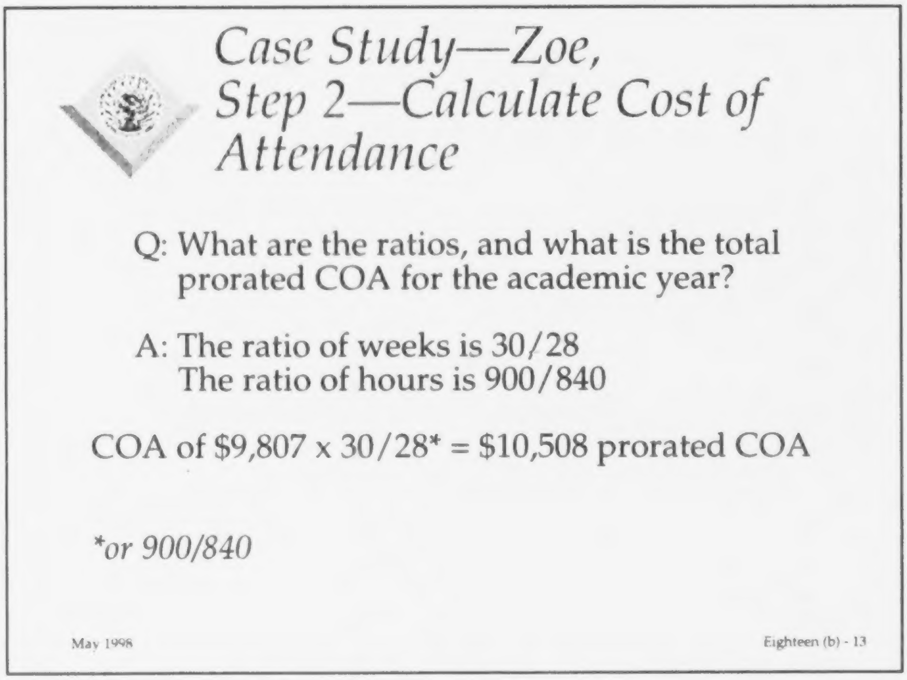
$$= \$942 \text{ (2nd p.p.)}$$

Case Study—Zoe

Step 1—Determine Enrollment Status

Q: What is Zoe's enrollment status?

A: At least half time



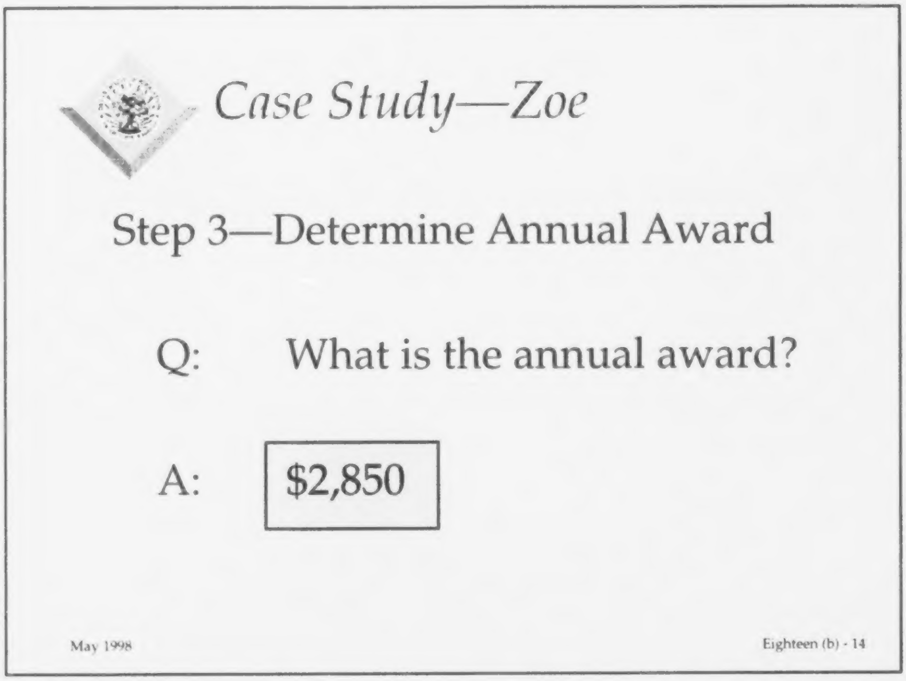
Case Study—Zoe, Step 2—Calculate Cost of Attendance

Q: What are the ratios, and what is the total prorated COA for the academic year?

A: The ratio of weeks is 30/28
The ratio of hours is 900/840

COA of $9,807 x 30/28* = $10,508 prorated COA

**or 900/840*

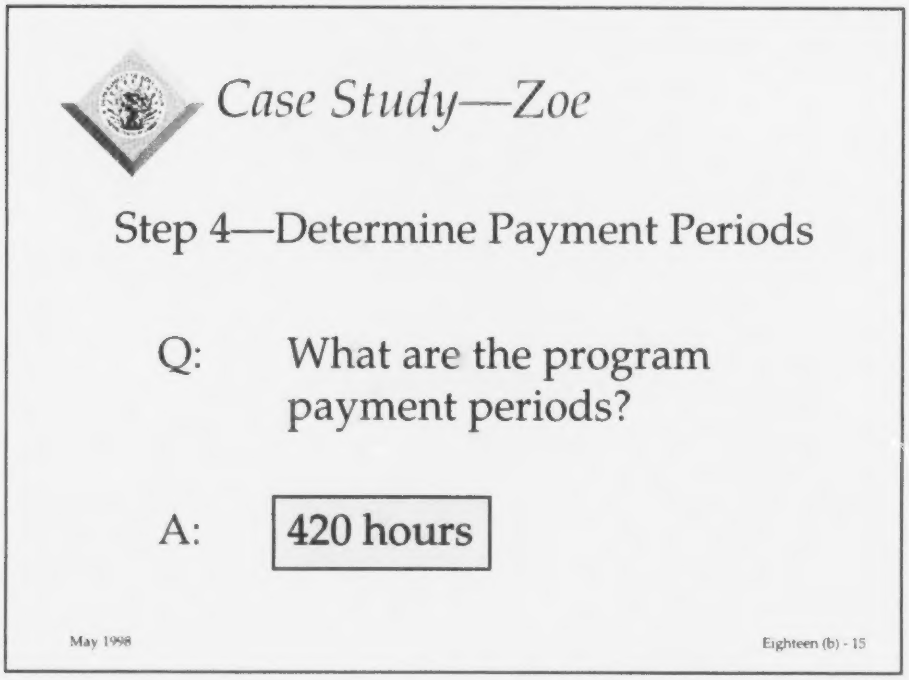


Case Study—Zoe

Step 3—Determine Annual Award

Q: What is the annual award?

A: **$2,850**



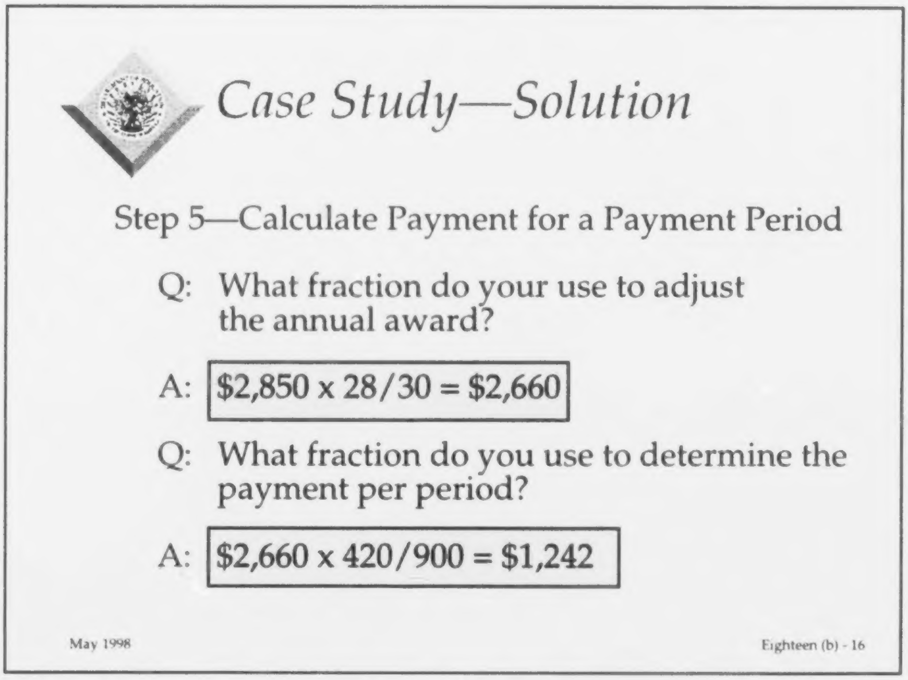
Case Study—Zoe

Step 4—Determine Payment Periods

Q: What are the program payment periods?

A: 420 hours

May 1998 Eighteen (b) - 15



Case Study—Solution

Step 5—Calculate Payment for a Payment Period

Q: What fraction do your use to adjust the annual award?

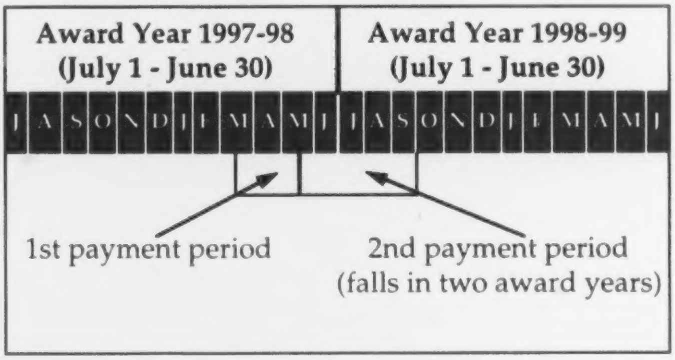
A: $2,850 x 28/30 = $2,660

Q: What fraction do you use to determine the payment per period?

A: $2,660 x 420/900 = $1,242

May 1998 Eighteen (b) - 16

Crossover Payment Period



Award Year 1997-98 (July 1 - June 30)

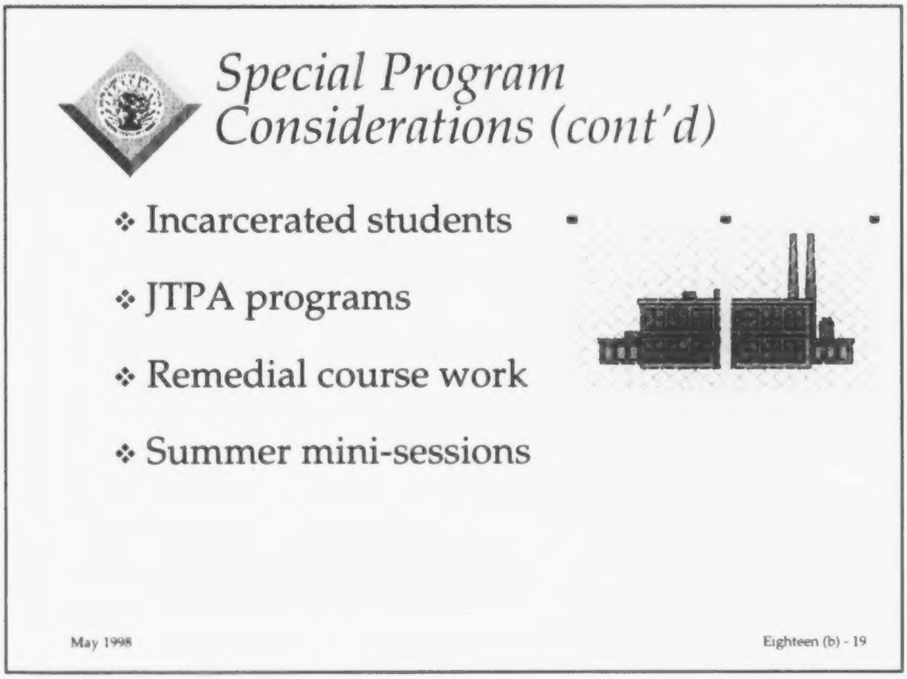
Award Year 1998-99 (July 1 - June 30)

1st payment period

2nd payment period (falls in two award years)

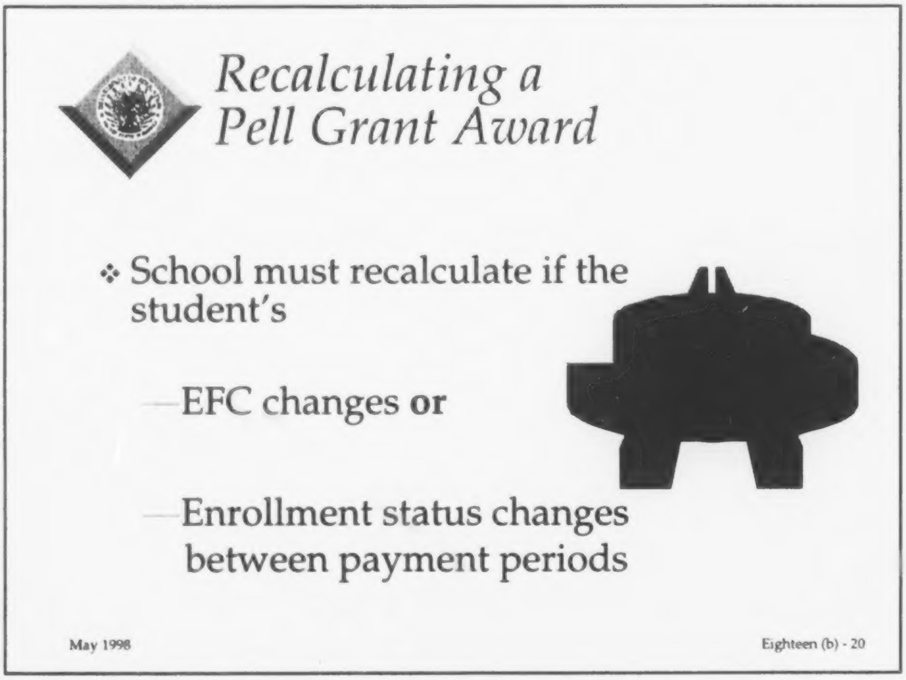
Special Program Considerations

- Consortium agreements
- Cooperative education
- Correspondence study combined with regular study
- Foreign study



Special Program Considerations (cont'd)

- Incarcerated students
- JTPA programs
- Remedial course work
- Summer mini-sessions



Recalculating a Pell Grant Award

- School must recalculate if the student's
  - EFC changes **or**
  - Enrollment status changes between payment periods

Session 19 - Packaging

By the end of this session, you will be able to:

- ***identify the different packaging models,***
- ***package a student's Title IV aid, and***
- ***hand calculate award packages.***

RESOURCES

The 1998-99 Federal Student Financial Aid Handbook, Chapter 2

SESSION CONTENTS

1. Need to Know
    - Lecture Notes
    - Chart — Packaging Models
2. Practice
    - Exercise — Jeannette
    - Packaging Questions
    - Case Study 1 — David
    - Case Study 2 — Anne
3. Back at the Office
4. Answer Key

BEST COPY AVAILABLE

NEED TO KNOW

What is packaging?

Packaging is combining available student aid resources to best meet the financial needs of a student.

The three steps of packaging are:

- determine the student's need;
- subtract the estimated Pell Grant award; and
- apply available financial resources to remaining need.

Remember:

Need = Cost of Attendance - Expected Family Contribution

Federal Requirements and Considerations that Affect Packaging

A school must have written and published procedures for awarding aid and making funds reasonably available to all eligible students.

- Pell Grants must be considered first when packaging.
- Outside aid (private scholarships and so on) should be awarded next.
- A school must make campus-based funds reasonably available to all students.
- FSEOG funds must first be awarded to Pell Grant recipients, starting with those with the lowest EFCs.
- Remaining FSEOG funds must then be awarded to non-Pell Grant recipients, starting with those with the lowest EFCs.
- Schools must plan for FSEOG funds to be available for disbursement for all periods of enrollment.

Packaging Models

Model	Order of Packaging	Special Notes
Ladder	1) Pell 2) External/private 3) Gift aid* 4) Self-help aid	* attempt to meet all student need without resorting to loans or FWS
Self-Help	1) Pell 2) External/private 3) Self-help aid* 4) Gift aid (if needed)	* attempt to promote self-help as primary means of meeting need
Absolute Equity	1) Pell 2) External/private 3) Gift aid* 4) Self-help aid	* maximum dollar amount of gift aid equal for all students
Fixed Percentage Equity**	1) Pell 2) External/private 3) Gift aid* 4) Self-help aid	* maximum dollar amount of gift aid based on percentage of each student's COA
Individual Basis	1) Pell 2) Varies by student	
First-Come, First-Served	1) Pell 2) External/private 3) Self-help aid* 4) Gift aid*	* student funded to the maximum need from all sources until funds are exhausted
Special Groups	1) Pell 2) Varies by groups of students*	* for example, athletes on partial scholarships

**Once the COA is multiplied by the school's equity percentage, the Pell Grant and any outside aid must be subtracted before gift aid is determined.

PRACTICE

Exercise — Using the Worksheet

Please fill in the packaging worksheet on the next page using the information below:

Student Name		Jeannette
Cost of Attendance	=	$6,300
Estimated Family Contribution	=	1,800
Calculated Pell Grant	=	$1,250
Other Aid Resources:		
Big State Chess Scholarship	=	$1,000
FSEOG	=	$ 800
Direct Subsidized Loan	=	$1,450

PACKAGING WORKSHEET

Exercise

Student Name: ***Jeannette***

Date Enrollment will Begin : ***8/20/98***

STEP ONE: (Calculating Need)

________ - ________ = ________

COA - EFC = Need

STEP TWO: (Subtracting Pell)

________ - ________ = ________

Need - Pell = Remaining Need

STEP THREE: (Creating Package)

Remaining Need: ________

Aid Type	Amount	Remaining Need

PRACTICE (cont'd)

Packaging Questions:

1. Why could first-come, first-served **not** be used at a school awarding FSEOG?

2. What model might allow a student living at school a higher maximum FSEOG than a student living at home?

3. Which three models treat all students equally, regardless of COA or when they enrolled?

PRACTICE (cont'd)

Packaging Case Studies

Case Study 1: Ladder Model & Self-Help Model

David is a half-time undergraduate student. His financial situation is as follows:

Cost of Attendance = $4,025

EFC = 298

Pell Grant = $1,375

Campus-based aid = (up to $1,000 available for FSEOG, up to $3,000 available for a Perkins Loan, and up to $500 available for Federal Work Study)

Glee Club Scholarship = $ 500

Please construct David's financial aid package using the ladder model.

Additional question: What would be the difference in David's package if the self-help model were used?

____

____

Case Study 2: Absolute Equity Model

Anne is a full-time, third-year student. Her school has set a maximum gift-aid award at $500. (Note: the Pell Grant **can** exceed $500 even though the Pell Grant is gift aid, because the student is entitled by law to the full Pell Grant for which the student is eligible.) Her financial aid package is as follows:

Cost of Attendance = $7,300

EFC = 2,000

Pell Grant = $1,050

Young Scientist's Scholarship = $ 500

Campus-based aid = (only FSEOG available)

FFEL = up to $5,500 (This could be subsidized, unsubsidized, or a combination of both)

Please construct Anne's financial aid package using the absolute equity model.

Additional Question: Considering the high EFC for Anne, how might federal regulations dealing with FSEOG and packaging dictate the amount the school can actually offer her?

PACKAGING WORKSHEET

Case Study #1

Student Name: **David**

Date Enrollment will Begin : **8/20/98**

STEP ONE: (Calculating Need)

	-		=	
COA		EFC		Need

STEP TWO: (Subtracting Pell)

	-		=	
Need		Pell		Remaining Need

STEP THREE: (Creating Package)

Remaining Need: ____________

Aid Type	Amount	Remaining Need

PACKAGING WORKSHEET

Case Study #2

Student Name: ***Anne***

Date Enrollment will Begin : ***8/20/98***

STEP ONE: (Calculating Need)

________ - ________ = ________

COA EFC Need

STEP TWO: (Subtracting Pell)

________ - ________ = ________

Need Pell Remaining Need

STEP THREE: (Creating Package)

Remaining Need: ________

Aid Type	Amount	Remaining Need

BACK AT THE OFFICE

Back at the office, you should:

- Ensure that your institution has a written policy for packaging Title IV aid.
- Practice packaging sample students and repackaging when one of the elements in the packaging calculation (budget, EFC, aid amount, or source of aid) changes.
- Create a procedure for communicating students' awards to the business office.
- Create a procedure for informing students of their award packages (award letter).
- ____
- ____
- ____

PACKAGING WORKSHEET

Exercise

Student Name: **Jeannette**

Date Enrollment will Begin : **8/20/98**

STEP ONE: (Calculating Need)

$6,300 - **1,800** = **$4,500**

COA		EFC		Need
$6,300	-	**1,800**	=	**$4,500**

STEP TWO: (Subtracting Pell)

Need		Pell		Remaining Need
$4,500	-	**$1,250**	=	**$3,250**

STEP THREE: (Creating Package)

Remaining Need: **$3,250**

Aid Type	Amount	Remaining Need
Scholarship	**$1,000**	**$2,250**
FSEOG	**$ 800**	**$1,450**
Direct Subsidized Loan	**$1,450**	**$ 0**

Packaging Questions

1. Why could first-come, first-served **not** be used at a school awarding FSEOG?

   The limited funds would run out before everyone had an opportunity to take advantage of the grant money. Also, making FSEOG reasonably available throughout the year for rolling admissions (as schools are required to do) would be difficult.

2. What model might allow a student living at school a higher maximum FSEOG than a student living at home?

   The fixed percentage equity model bases maximum gift aid on COA, so a student living at school would have a higher COA than a student living at home.

3. Which three models treat all students equally regardless of COA or when they enrolled?

   The ladder model, self-help model, and absolute equity model treat all students equally.

PACKAGING WORKSHEET

Case Study #1

Student Name: **David**

Date Enrollment will Begin : **8/20/98**

STEP ONE: (Calculating Need)

$4,025	-	**298**	=	**$3,727**
COA		EFC		Need

STEP TWO: (Subtracting Pell)

$3,727	-	**$1,375**	=	**$2,352**
Need		Pell		Remaining Need

STEP THREE: (Creating Package)

Remaining Need: **$2,352**

Aid Type	Amount	Remaining Need
Glee Club	**$ 500**	**$1,852**
FSEOG	**$1,000**	**$ 852**
FWS/Perkins	**$ 852**	**$ 0**
(Answers will vary as long as FWS doesn't exceed $500)		

Additional Question: What would be the difference in David's package if the self-help model were used?

The FWS and/or Perkins Loan would be considered before FSEOG.

PACKAGING WORKSHEET

Case Study #2

Student Name: ***Anne***

Date Enrollment will Begin : ***8/20/98***

STEP ONE: (Calculating Need)

$7,300	-	***2,000***	=	***$5,300***
COA		EFC		Need

STEP TWO: (Subtracting Pell)

$5,300	-	***$1,050***	=	***$4,250***
Need		Pell		Remaining Need

STEP THREE: (Creating Package)

Remaining Need: ***$4,250***

Aid Type	Amount	Remaining Need
Young Scientist's	***$ 500***	***$3,750***
FSEOG	***$ 500***	***$3,250***
Subsidized FFEL	***$3,250***	***$ 0***

Additional Question: Considering the high EFC for Anne, how might federal regulations dealing with FSEOG and packaging dictate the amount the school can actually offer her?

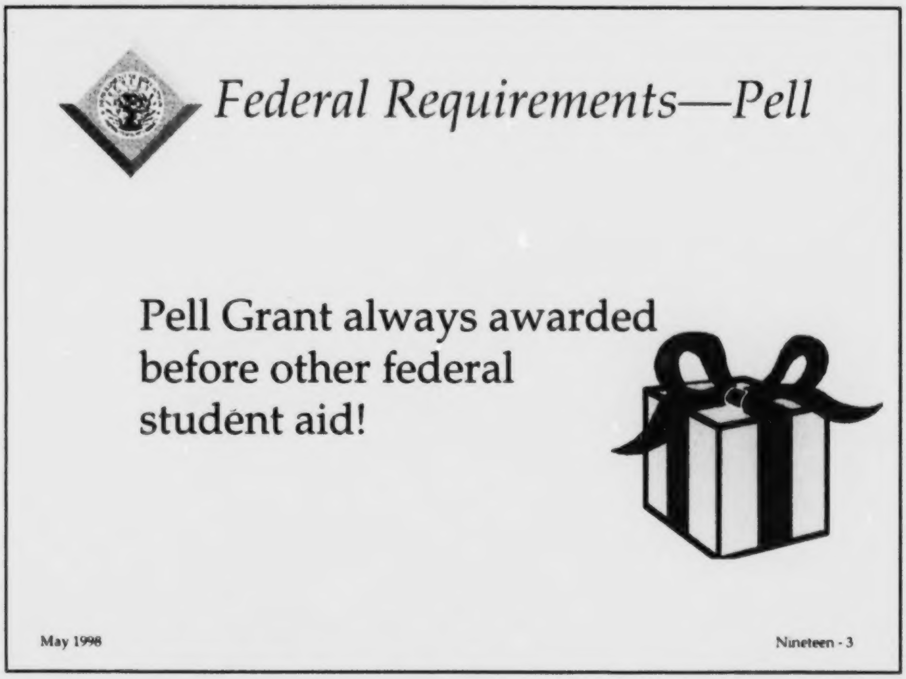
Federal regulations require that Pell Grant recipients with the lowest EFCs should be given priority over those with higher EFCs and those without Pell eligibility. This could influence the FSEOG award, depending on other students' EFCs.

Packaging Steps

1. Determine need
2. Subtract Pell Grant
3. Apply available resources

Packaging—Bruce

	Need	$5,000
-	Pell Grant	$1,000
=	Unmet Need	$4,000
-	Scholarship	$1,000
-	Campus-Based	$1,000
-	Direct Sub. Loan	$2,000
=		$ 0

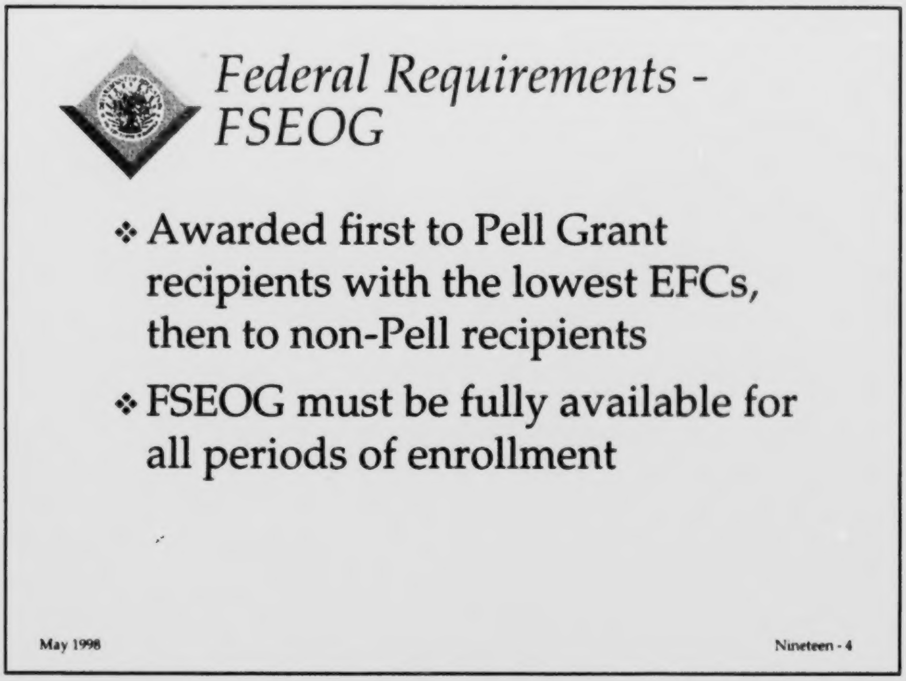


Federal Requirements—Pell

Pell Grant always awarded before other federal student aid!

May 1998

Nineteen - 3



Federal Requirements - FSEOG

- Awarded first to Pell Grant recipients with the lowest EFCs, then to non-Pell recipients
- FSEOG must be fully available for all periods of enrollment

May 1998

Nineteen - 4

Case Study 1—David

- Pell $________________
- Glee Club $________________
- FSEOG $________________
- FWS/Perkins $________________

May 1998 Nineteen - 5

Case Study 2—Anne

- Pell $________________
- Young Scientist's $________________
- FSEOG $________________
- Sub. FFEL $________________

May 1998 Nineteen - 6

Session 20 - Pell Grant Overpayments

By the end of this session, you will be able to:

- ***identify circumstances under which Pell Grant overpayments might occur,***
- ***correct overpayments,***
- ***collect overpayments, and***
- ***report overpayments.***

RESOURCES

- *The 1998-99 Federal Student Financial Aid Handbook,* Chapter 4
- *The Verification Guide, 1998-99,* Chapter 5
- *DCL P-97-3, October 1997, "Decreased Award Report"*
- *34 CFR 668.35(e)(1)*
- *34 CFR 690, Subpart G*

SESSION CONTENTS

1. Need to Know
    - ◆ Lecture Notes

BEST COPY AVAILABLE

SESSION CONTENTS (cont'd)

2. Practice
    - Exercise — Correcting Pell Grant Overpayment Situations
    - Case Study — Collecting Overpayments
    - Review Quiz
3. Back at the Office
4. Answer Key

Lecture Notes — Pell Grant Overpayment, General

How Federal Pell Grant Overpayments Might Occur

There are four common overpayment situations:

- student errors,
- school errors,
- required recalculations, and
- optional payments made.

Whatever the reason for the overpayment:

- the student owes the repayment and
- the school must make an effort to obtain the repayment.

If a school doesn't succeed in collecting the overpayment, the school must forward to ED's Debt Collection Service (DCS):

- the student's name,
- the student's Social Security number,
- the overpayment amount, and
- any other relevant information.

How Federal Pell Grant Overpayments Might Occur (cont'd)

- The school must repay its Pell Grant account whenever the overpayment is:
  - ♦ the school's error or
  - ♦ an optional payment made without valid documentation.

Correcting Federal Pell Grant Overpayments

- Actions schools take to correct Pell Grant overpayments:
  1. **Continue** making Title IV payments (including Pell) to the student, but only under one of the following situations.
     - ◊ The student completely repays the overpayment.
     - ◊ The student makes satisfactory repayment arrangements with the school.
     - ◊ The school itself repays the overpayment, thus transferring the debt from the Federal Pell Grant Program to the institution. The student now owes an institutional debt.
     - ◊ The school eliminates the overpayment by reducing the student's subsequent Pell Grant payments during the same award year.
  2. Otherwise, **discontinue** making any Pell Grant or other Title IV payments to the student.

Reporting and Collecting Federal Pell Grant Overpayments

- Schools must report a Pell Grant overpayment:
  - ♦ on the student's FAT, if one is requested. (If a student who owes an overpayment transfers from your school to another school, and you did not note the overpayment on the FAT, your school is liable.)

  - to NSLDS.
  - to ED's DCS (if the school doesn't succeed in collecting the overpayment).

- The SAR, ISIR, and SAR Information Acknowledgment flag students who owe overpayments with the letter "C" next to the EFC.

- Even though a school is not liable for Pell Grant overpayments that are not its fault, the school must:
  - make a reasonable effort to contact the student and collect the overpayment, and (if necessary)
  - refer the student's case to ED's DCS for collection (See the Verification Guide for procedures.)
    - ◊ ED will notify the school by letter about collection results.

- Schools must report collected overpayments.
  - For overpayments made in a current academic year, in general, schools use EDE, RDE, or the Floppy Disk Data Exchange up to September 30 following the award year to report individual student information.
    - ◊ For overpayments made after September 30, schools can use the "Decreased Award Report" in "Dear Colleague" Letter P-96-4.
    - ◊ Schools may also use EDE, RDE, and FDDE through a specified date, currently at least through January 31, 1999.

- When an overpayment from a prior award year is repaid, the school must:
  - deposit the funds in its institutional federal funds account or its Pell Grant account and
  - report the decrease in the student's Pell Grant award using a Decreased Award Report.
- More detailed reporting information appears in Chapter 4 of *The Federal Student Financial Aid Handbook.*

Exercise — Correcting Pell Grant Overpayment Situations

Answer the following questions.

1. If the overpayment is not the student's fault, does the student owe a repayment?

   ____

   ____

2. If the overpayment is not the school's fault, is the school required to make an effort to obtain repayment?

   ____

   ____

3. If the Pell Grant overpayment amount can be eliminated within the award year by reducing the student's subsequent Pell Grant payments during that award year, is the school permitted to continue making payments of Title IV aid to the student?

   ____

   ____

4. If the Pell Grant overpayment cannot be eliminated within the award year by reducing subsequent payments, under what circumstances is the school permitted to continue making payments of Title IV aid to the student?

   ____

   ____

   ____

Case Study — Collecting Overpayments

Jill was awarded and paid a Pell Grant before the school received her final verification documents. When these documents arrived, they showed that Jill was no longer eligible for a Pell Grant. She had failed to report her husband's income, so her EFC was now too high. Furthermore, she withdrew from classes April 5. The award year ends June 30.

1. The overpayment is the result of:

   a. student error

   b. school error

   c. bad timing

   d. a combination of factors

2. Who is responsible for reimbursing the Pell Grant account?

   a. ED

   b. Jill's parents

   c. Jill

   d. the school

3. Should the school attempt to collect the money from Jill?

   a. yes

   b. no

   c. only part of it

   d. don't have enough information

PRACTICE (cont'd)

4. The Pell Grant account must be reimbursed by what date?

   a. April 5

   b. June 4

   c. No later than June 30.

   d. Before July 1.

5. What's the reason for the answer in Question 4?

6. What two steps does the school have to take if the Pell Grant overpayment occurred because Jill's husband's income wasn't reported on the FAFSA?

PRACTICE (cont'd)

Review Quiz

1. What are three Pell Grant overpayment situations that would be considered the school's fault?

2. If a student owes money on a Pell Grant overpayment, where does a school report this information?

3. A __________ printed next to the EFC on a SAR, ISIR, or SAR Information Acknowledgment indicates that the student may owe a Pell overpayment to ED.

4. The school may use __________, __________, or __________ to report a decrease to a student's award after the school collects or repays an overpayment.

5. What is the general submission deadline for reporting decreased Pell Grant awards?

BACK AT THE OFFICE

Back at the office, you should:

- Review or create procedures for contacting students to collect overpayments.
- Find out if your school uses EDE, RDE, or FDDE to report decreased awards.
- ____________________
- ____________________
- ____________________

Exercise — Correcting Pell Grant Overpayment Situations

Answer the following questions.

1. If the overpayment is not the student's fault, does the student owe a repayment?

   Yes

2. If the overpayment is not the school's fault, is the school required to make an effort to obtain repayment?

   Yes

3. If the Pell Grant overpayment amount can be eliminated within the award year by reducing the student's subsequent Pell Grant payments during that award year, is the school permitted to continue making payments of Title IV aid to the student?

   Yes

4. If the Pell Grant overpayment cannot be eliminated within the award year by reducing subsequent payments, under what circumstances is the school permitted to continue making payments of Title IV aid to the student?

   There are three ways:

   - **The student repays the overpayment in full.**
   - **The student makes satisfactory repayment arrangements with the school. Note: To be satisfactory, these arrangements must adhere to 34 CFR 668.35.**
   - **The school itself repays the overpayment in full. The student would then owe an institutional debt, not a Pell overpayment.**

ANSWER KEY (cont'd)

Case Study — Collecting Overpayments

Jill was awarded and paid a Pell Grant before the school received her final verification documents. When these documents arrived, they showed that Jill was no longer eligible for a Pell Grant. Furthermore, she withdrew from classes April 5. The award year ends June 30.

1. The overpayment is the result of:
   - a. student error
   - **b. school error**
   - c. bad timing
   - d. a combination of factors
2. Who is responsible for reimbursing the Pell Grant account?
   - a. ED
   - b. Jill's parents
   - c. Jill
   - **d. the school**
3. Should the school attempt to collect the money from Jill?
   - **a. yes (the student is *always* responsible for repaying the overpayment)**
4. The Pell Grant account must be reimbursed by what date?
   - a. April 5
   - **b. June 4**
   - c. No later than June 30.
   - d. Before July 1.

5. What's the reason for the answer in Question 4?

   The school must reimburse the Pell Grant account within 60 calendar days following Jill's last day of enrollment, if Jill doesn't repay the overpayment before then.

6. What two steps does the school have to take if the Pell Grant overpayment occurred because Jill's husband's income wasn't reported on the FAFSA?

   - **The school must try to recover the overpayment from Jill.**
   - **If the school isn't successful, it must provide ED's Debt Collection Service (DCS) with information required by regulations about Jill and the overpayment.**

ANSWER KEY (cont'd)

Review Quiz

1. What are three overpayments situations that would be considered the school's fault?

   - **Student award is taken incorrectly from Payment Schedule.**
   - **School made an initial payment before completing verification and student never turned in needed final documentation.**
   - **School awarded a Pell Grant to a transfer student before receiving the financial aid transcript (FAT).**

2. If a student owes money on a Pell Grant overpayment, where does a school report this information?

   The information is reported on the student's FAT, if and when one is requested, and to NSLDS.

3. A ___________ printed next to the EFC on a SAR, ISIR, or SAR Information Acknowledgment indicates that the student may owe a Pell overpayment to ED.

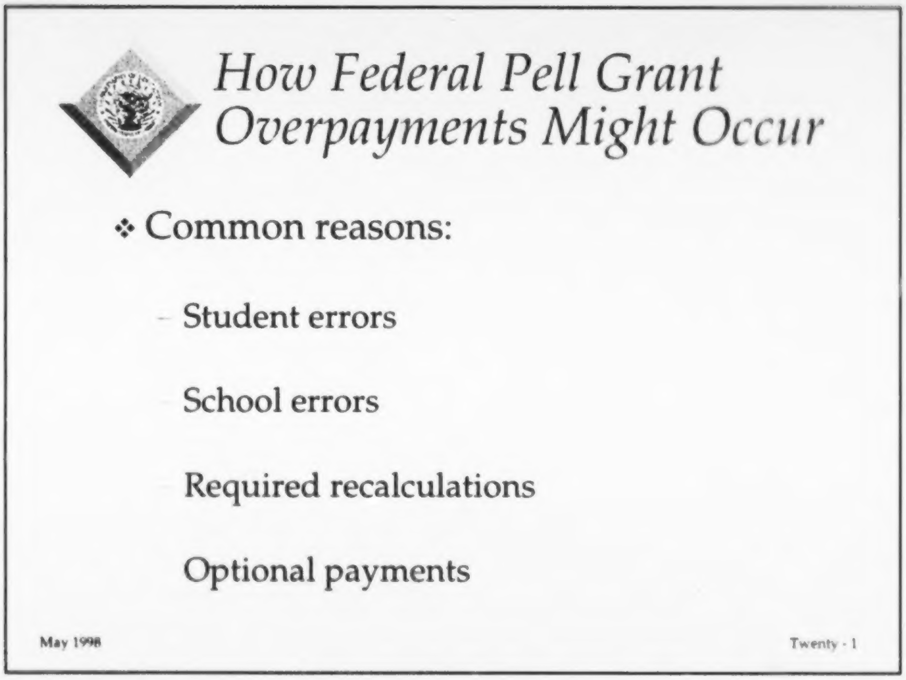
   "C" is printed on the SAR next to the EFC

4. The school may use ___________, ___________, or ___________ to report a decrease to a student's award after the school collects or repays an overpayment.

   Electronic Data Exchange (EDE), Recipient Data Exchange (RDE), or Floppy Disk Data Exchange

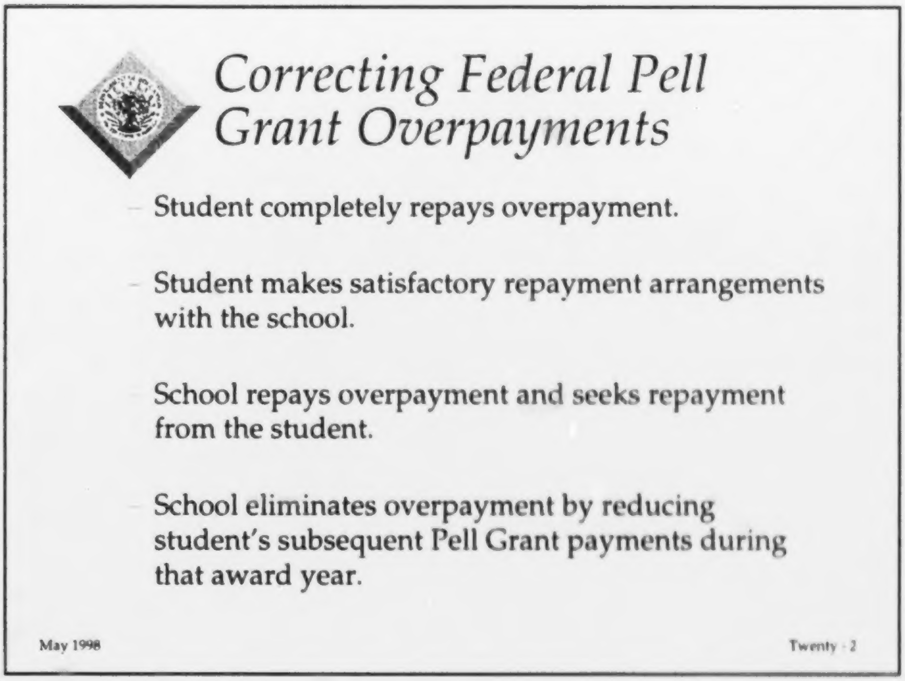
5. What is the general submission deadline for reporting decreased Pell Grant awards?

   September 30 following the end of the award year.



How Federal Pell Grant Overpayments Might Occur

- Common reasons:
  - Student errors
  - School errors
  - Required recalculations
  - Optional payments



Correcting Federal Pell Grant Overpayments

- Student completely repays overpayment.
- Student makes satisfactory repayment arrangements with the school.
- School repays overpayment and seeks repayment from the student.
- School eliminates overpayment by reducing student's subsequent Pell Grant payments during that award year.

Correcting Federal Pell Grant Overpayments (Cont'd)

- Otherwise, a school must **discontinue** any Pell Grant or other Title IV payments to the student.

Session 21 - Reporting Pell Grant Payment Data

By the end of this session, you will be able to:

- ***report Pell Grant Payment Data.***

RESOURCES

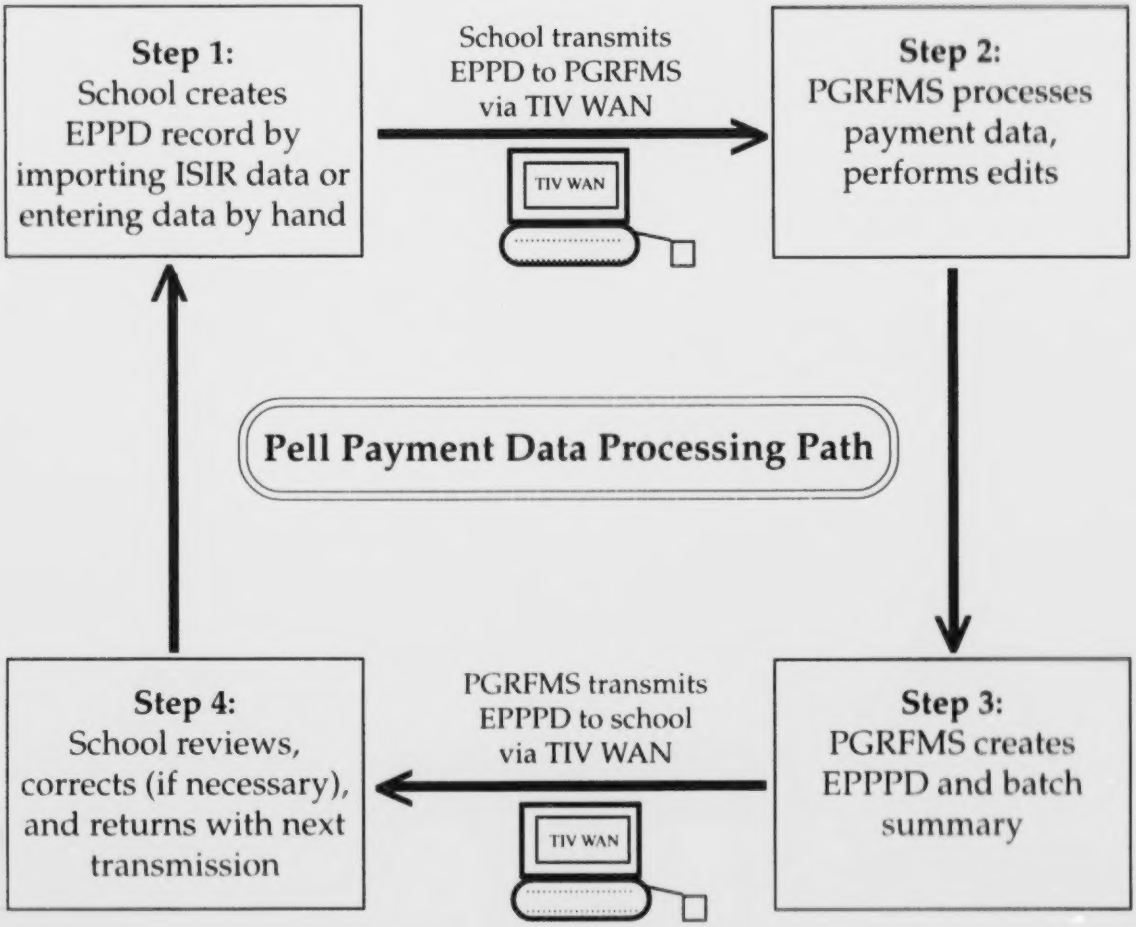
The 1998-99 Federal Student Financial Aid Handbook, Chapter 4

SESSION CONTENTS

1. Need to Know
    - ♦ Diagram — Reporting Individual Pell Grant Disbursements
    - ♦ Screen — Institution Setup
    - ♦ Screen — Pell Payment Data
2. Practice
    - ♦ Quiz — Pell Grant Payment Data Processing
3. Back at the Office
4. Answer Key

BEST COPY A

NEED TO KNOW



Pell Payment Data Processing Path

Step 1:
School creates EPPD record by importing ISIR data or entering data by hand

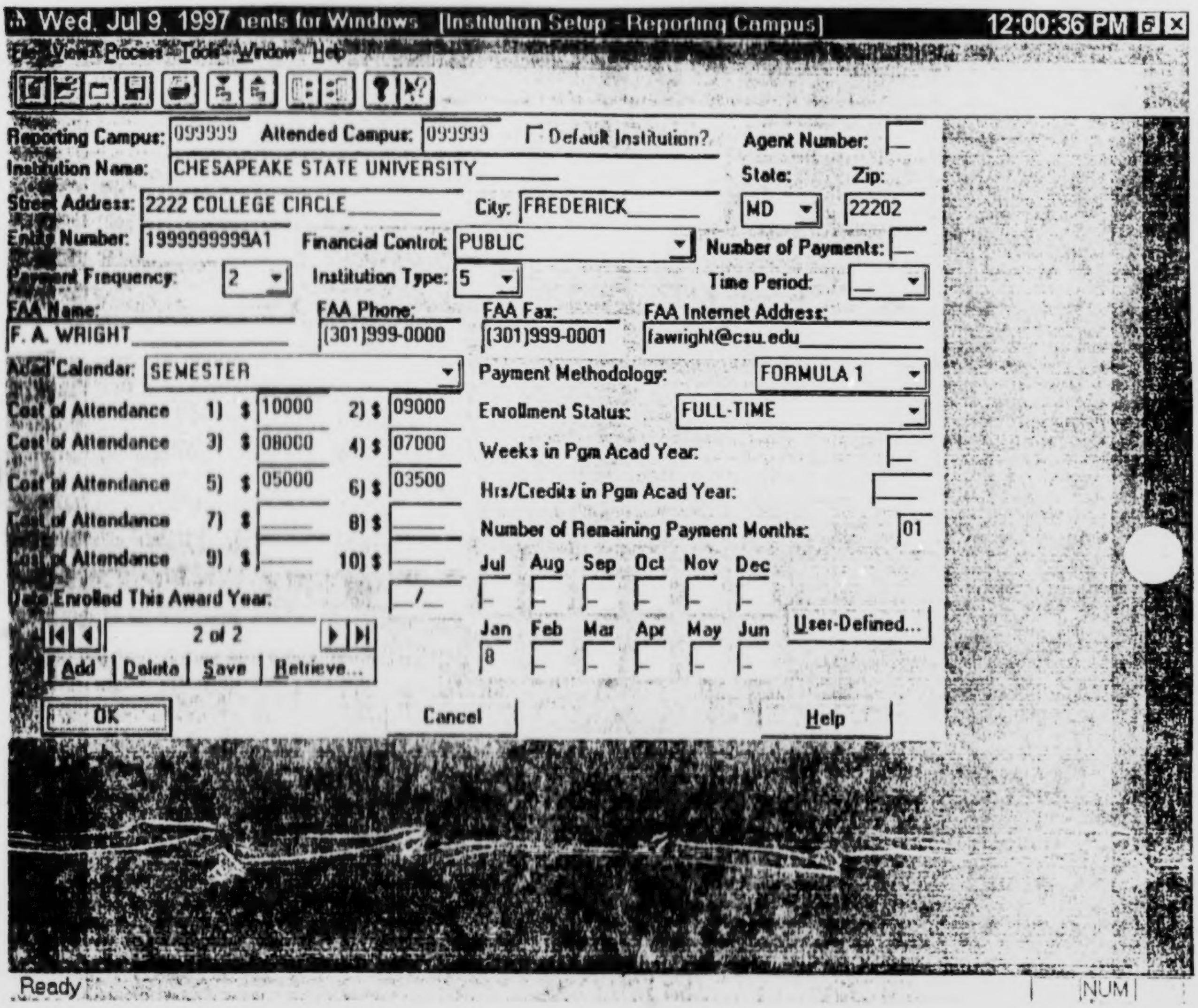
School transmits EPPD to PGRFMS via TIV WAN

Step 2:
PGRFMS processes payment data, performs edits

Step 3:
PGRFMS creates EPPPD and batch summary

PGRFMS transmits EPPPD to school via TIV WAN

Step 4:
School reviews, corrects (if necessary), and returns with next transmission



Wed, Jul 9, 1997 ients for Windows [Institution Setup - Reporting Campus]
12:00:36 PM
File View Process Tools Window Help
2 of 2
Add
Delete
Save
Retrieve...
User-Defined...
OK
Cancel
Help
Ready
NUM

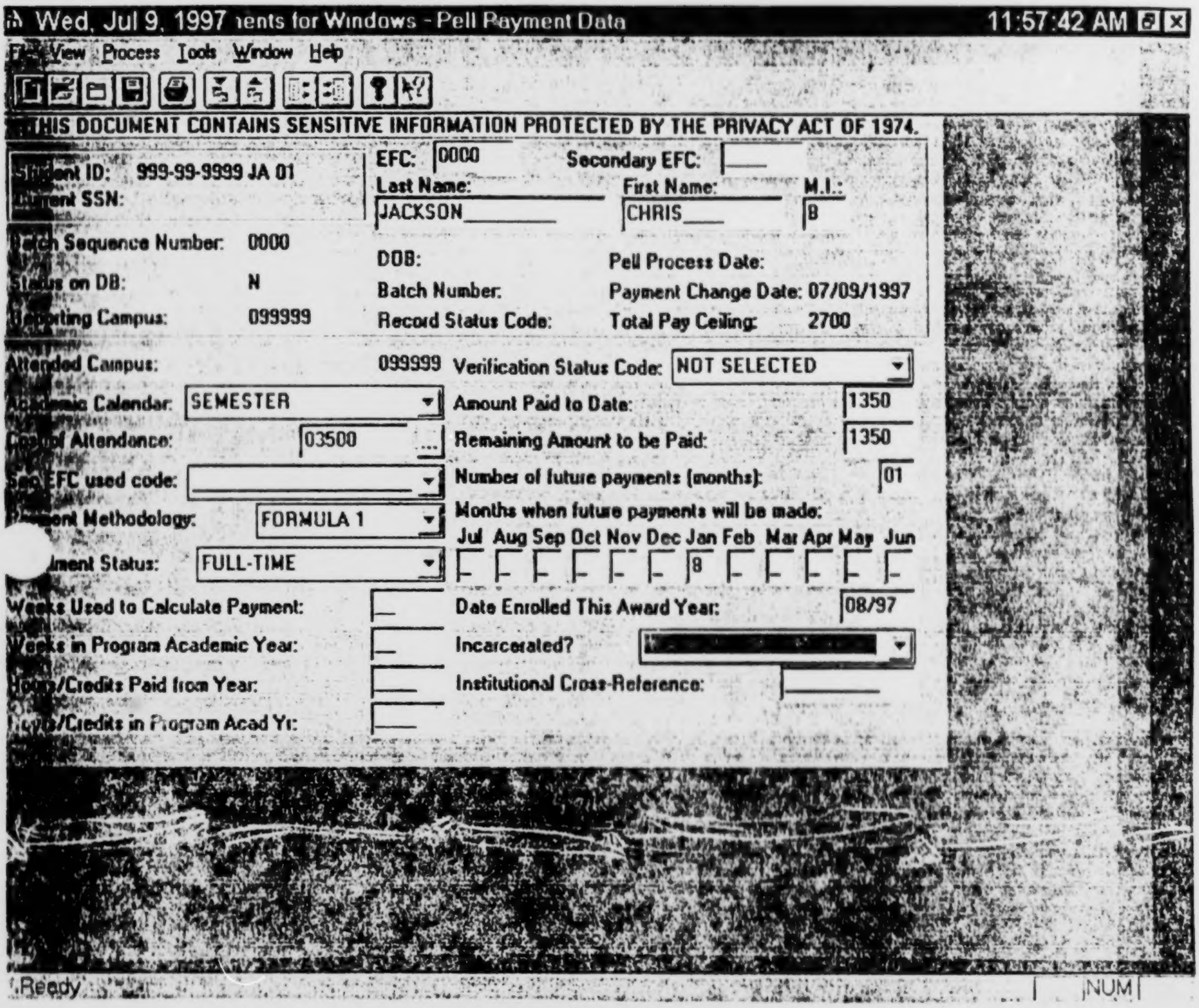
Reporting Campus: 099999
Attended Campus: 099999
☐ Default Institution?
Agent Number:
Institution Name: CHESAPEAKE STATE UNIVERSITY
Street Address: 2222 COLLEGE CIRCLE
City: FREDERICK
State: MD
Zip: 22202
Entity Number: 19999999999A1
Financial Control: PUBLIC
Number of Payments:
Payment Frequency: 2
Institution Type: 5
Time Period:
FAA Name: F. A. WRIGHT
FAA Phone: (301)999-0000
FAA Fax: (301)999-0001
FAA Internet Address: fawright@csu.edu
Acad Calendar: SEMESTER
Payment Methodology: FORMULA 1
Cost of Attendance 1) $ 10000 2) $ 09000
Enrollment Status: FULL-TIME
Cost of Attendance 3) $ 08000 4) $ 07000
Weeks in Pgm Acad Year:
Cost of Attendance 5) $ 05000 6) $ 03500
Hrs/Credits in Pgm Acad Year:
Cost of Attendance 7) $ 8) $
Number of Remaining Payment Months: 01
Cost of Attendance 9) $ 10) $
Date Enrolled This Award Year: _/_

Jul	Aug	Sep	Oct	Nov	Dec

Jan	Feb	Mar	Apr	May	Jun
8					

BEST COPY AVAILABLE

NEED TO KNOW (cont'd)



Wed, Jul 9, 1997 ients for Windows - Pell Payment Data
11:57:42 AM
File View Process Tools Window Help
Ready
NUM

THIS DOCUMENT CONTAINS SENSITIVE INFORMATION PROTECTED BY THE PRIVACY ACT OF 1974.

Student ID: 999-99-9999 JA 01
Current SSN:

EFC: 0000
Secondary EFC:
Last Name: JACKSON
First Name: CHRIS
M.I.: B

Batch Sequence Number: 0000
Status on DB: N
Reporting Campus: 099999

DOB:
Batch Number:
Record Status Code:

Pell Process Date:
Payment Change Date: 07/09/1997
Total Pay Ceiling: 2700

Attended Campus: 099999
Academic Calendar: SEMESTER
Cost of Attendance: 03500
Sec EFC used code:
Payment Methodology: FORMULA 1
Enrollment Status: FULL-TIME
Weeks Used to Calculate Payment:
Weeks in Program Academic Year:
Hours/Credits Paid from Year:
Hours/Credits in Program Acad Yr:

Verification Status Code: NOT SELECTED
Amount Paid to Date: 1350
Remaining Amount to be Paid: 1350
Number of future payments (months): 01
Months when future payments will be made:

Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
						8					

Date Enrolled This Award Year: 08/97
Incarcerated? [redacted]
Institutional Cross-Reference:

BEST COPY AVAILABLE

PRACTICE

Review Quiz — Pell Grant Payment Data Processing

Fill in the blanks in the following sentences using the words from the word bank below. Words may be used more than once, and not all words are used.

1. A school must use _______, _______, or _______ to report Pell Payment Data.
2. Schools must submit Pell Payment Data within _______ of any change to student information.
3. The school enters data at the beginning of the year using the ___________ screen.
4. Then, each student's _____________ is entered.
5. Several students' files can be grouped in a batch and sent to ED as a(n) __________.
6. ED processes the batch and returns a(n) ________, which includes a(n), _____________ to the school.
7. Schools *may* need to correct files labeled as ___________ and *must* correct files labeled as ____________ .
8. In most cases, schools must submit all payment data for a given award year no later than __________ following the end of that award year.

Word Bank:

Accepted; Accepted With Assumptions; August 31; batch summary; EDE; ED/PMS; EDS; EPPD; EPPPD; Floppy Disk Data Exchange; Institution Setup; Institutional Summary; Institutional Payment Record; Pell Record; Pell Payment Data; PGRFMS; Processed Pell Payment Data; RDE; RDDE; Rejected; September 15; September 30; 15 days; 30 days

BACK AT THE OFFICE

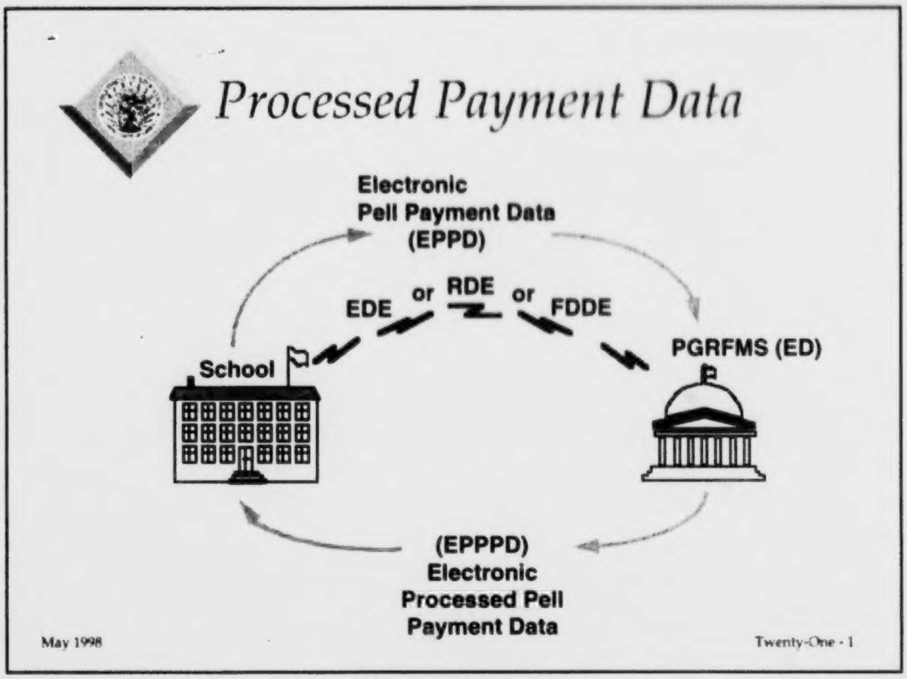
Back at the office, you should:

- Become familiar with the electronic reporting method your school uses.
- Practice using the *Pell Payment for Windows* software.
- ______________________________
- ______________________________
- ______________________________

ANSWER KEY

Review Quiz — Pell Grant Payment Data Processing

1. A school must use **EDE, RDE,** or **FDDE** to report Pell Payment Data.
2. Schools must submit Pell Payment Data within **30 days** of any change to student information.
3. The school enters data at the beginning of the year using the **Institution Setup Record**.
4. Then, each student's **Pell Payment Data** is entered.
5. Several students' files can be grouped in a batch and sent to **PGRFMS**.
6. ED processes the batch and an **EPPPD**, which includes a **batch summary,** to the school.
7. Schools *may* need to correct files labeled as **Accepted With Assumptions** and *must* correct files labeled as **Rejected**.
8. In most cases, schools must submit all payment data for a given award year no later than **September 30** following the end of that award year.



Processed Payment Data

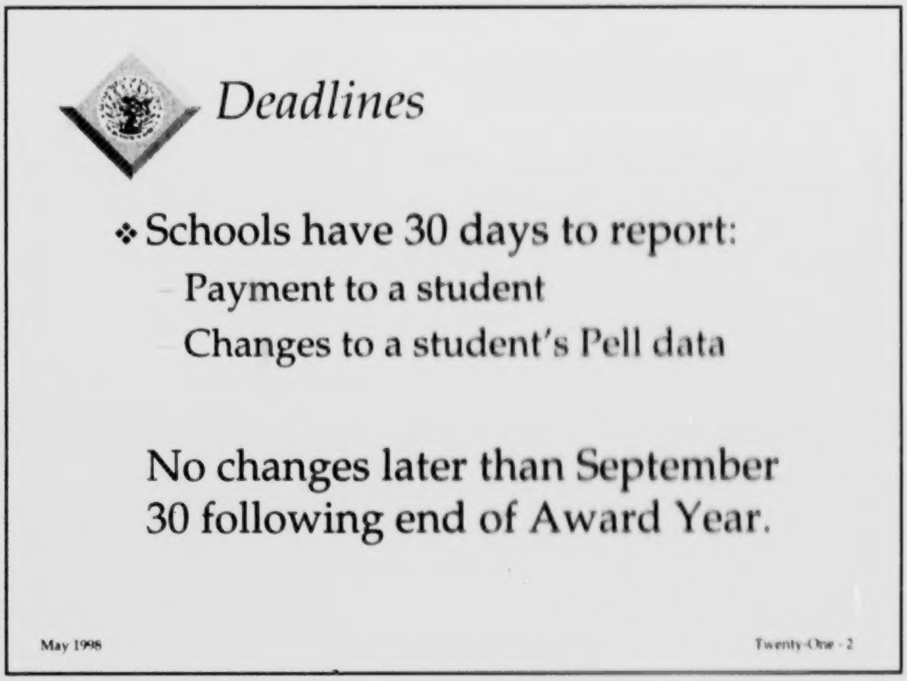
Electronic
Pell Payment Data
(EPPD)

EDE or RDE or FDDE

School

PGRFMS (ED)

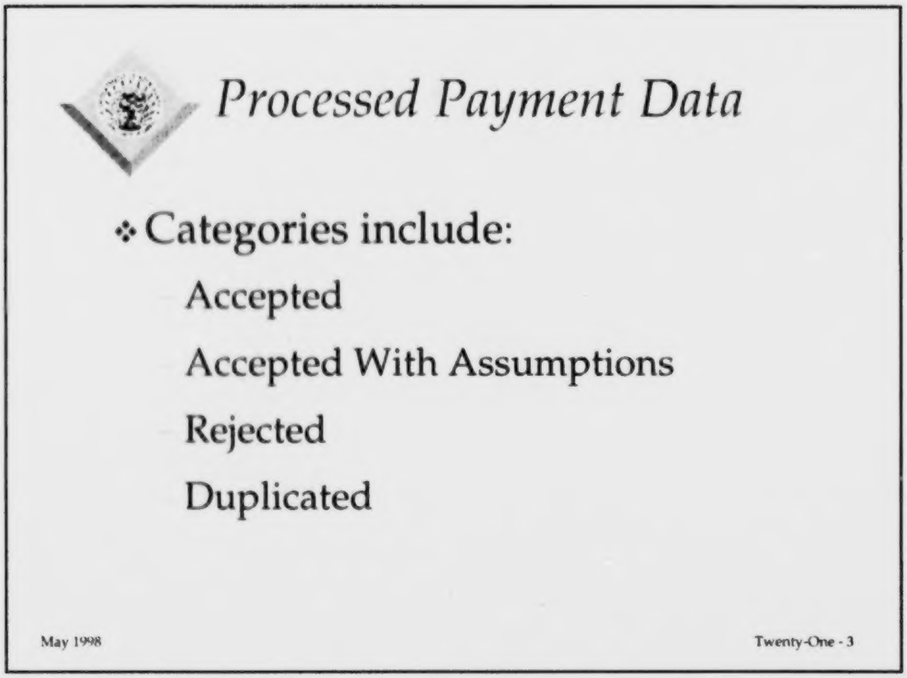
(EPPPD)
Electronic
Processed Pell
Payment Data



Deadlines

- Schools have 30 days to report:
  - Payment to a student
  - Changes to a student's Pell data

No changes later than September 30 following end of Award Year.

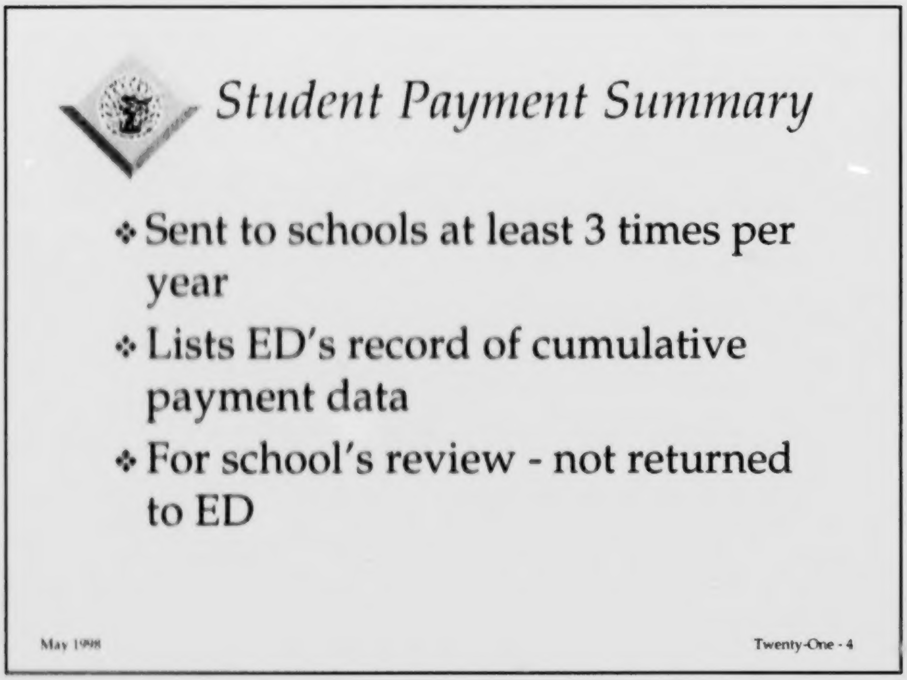


Processed Payment Data

- Categories include:
  - Accepted
  - Accepted With Assumptions
  - Rejected
  - Duplicated

May 1998

Twenty-One - 3



Student Payment Summary

- Sent to schools at least 3 times per year
- Lists ED's record of cumulative payment data
- For school's review - not returned to ED

May 1998

Twenty-One - 4

Session 22 - Campus-Based Programs

By the end of this session, you will be able to:

- ***identify similarities and differences among the campus-based programs and***
- ***recognize each program's eligibility, funding, and general administrative requirements.***

RESOURCES

- *The 1998-99 Federal Student Financial Aid Handbook,* Chapter 5, Chapter 6, Chapter 7, and Chapter 8
- *The Blue Book* (July 1995), Chapter 3
- *"Dear Colleague" Letters:*
  - *"Dear Colleague" Letter CB-95-17,* issued in July 1995, provides additional guidance on due diligence requirements.
  - *"Dear Colleague" Letter CB-96-8* contains updated revisions of ED's promissory notes. Schools may use these or the ones originally published in DCL CB-93-9.
- *34 CFR 674, Subpart C,* provides guidance on due diligence requirements.

SESSION CONTENTS

1. Need to Know
   - Chart — Federal Perkins Loan Deferment Provisions
   - Chart — Federal Perkins Loan Cancellation Conditions
   - List — State Commissions for National Community Service

BEST COPY AVAILABLE

SESSION CONTENTS (cont'd)

2. Practice
   - Review Quiz
   - Exercise 1 — Federal Supplemental Education Opportunity Grant
   - Exercise 2 — Methods to Meet Nonfederal Share
   - Exercise 3 — Federal Work-Study Community-Service Requirement
   - Exercise 4 — Federal Work-Study Carry Forward
   - Exercise 5 — Federal Perkins Loan Deferment Provisions
   - Exercise 6 — Federal Perkins Loan Cancellation Conditions
   - Exercise 7 — Transferring Funds Between Campus-Based Programs
3. Back at the Office
4. Answer Key

Federal Perkins Loan Deferment Provisions†

DEFERMENT CONDITION	Federal Perkins NDSL Disbursed on or after 07/01/93	Federal Perkins Disbursed before 07/01/93 & on or after 07/01/87	NDSL Disbursed before 07/01/93 & on or after 10/01/80	NDSL Disbursed before 10/01/80
Half-time enrollment	No limit*	No limit*	No limit*	No limit*
Rehabilitation training	No limit*	N/A	N/A	N/A
Graduate fellowship study [1]	No limit*	N/A	N/A	N/A
Eligible internship or residency program	N/A	2 years [2]*	2 years [3]*	N/A
Inability to secure full-time employment	3 years*	N/A	N/A	N/A
Economic hardship [4]	3 years*	N/A	N/A	N/A
Hardship as determined by school	N/A	No limit**	No limit**	No limit**
Law enforcement/correction officer	see footnote 5*	N/A	N/A	N/A
Peace Corps/ACTION program volunteer	see footnote 5*	3 years*	3 years*	3 years*
Full-time volunteer for tax-exempt organization in service comparable to Peace Corps or ACTION	N/A	3 years*	3 years*	N/A
U.S. Armed Service	see footnote 5*	3 years*	3 years*	3 years*
Officer in Commissioned Corps of U.S. Public Health Service	N/A	3 years*	3 years*	N/A
National Oceanic and Atmospheric Admin. Corps	N/A	3 years*	N/A	N/A
Nurse/medical technician providing health services	see footnote 5*	N/A	N/A	N/A
Temporary total disability or care for temporarily totally disabled spouse/dependent	N/A	3 years*	3 years [6]*	N/A
Pregnancy, care of newborn or newly adopted child [7]	N/A	6 months*	N/A	N/A
Mother of pre-schooler working or returning to work [8]	N/A	1 year*	N/A	N/A
Employment in Head Start Program	see footnote 5*	N/A	N/A	N/A
Teacher in designated low-income school	see footnote 5*	N/A	N/A	N/A
Teacher of special education, including teacher of infants, toddlers, children, or youth with disabilities [9]	see footnote 5*	N/A	N/A	N/A
Provider of early intervention services [10]	see footnote 5*	N/A	N/A	N/A
Teacher of mathematics, science, foreign languages, bilingual education, or other field of expertise determined by the state education agency to have a shortage of qualified teachers	see footnote 5*	N/A	N/A	N/A
Provider or supervisor of provision of services to high-risk children from low-income communities and their families [11]	see footnote 5*	N/A	N/A	N/A

*Principal need not be paid, and interest does not accrue.

**Principal and interest may be deferred, but interest continues to accrue.

†Notes follow on the next page.

Federal Perkins Loan Deferment Provisions

The chart on the previous page is to be used for reference only. Refer to Part E of the Higher Education Act and 34 CFR Part 674, Sections 674.33 through 674.39 (which the chart and provisions summarize) if you have any questions about a particular borrower's eligibility for loan deferment.

1. A deferment request from a borrower enrolled in a graduate or postgraduate fellowship-supported program outside of the U.S. is approved until the completion of the fellowship period.
2. The internship program must require that the borrower have a bachelor's degree before being admitted. In addition, the program must be required by a state licensing agency for certification for professional practice or service, or the program must lead to a postgraduate degree or certificate from a postsecondary school, hospital, or health-care facility.
3. The internship program must require that the borrower have a bachelor's degree before being admitted. The program must be required by the state licensing agency for certification for professional practice or service.
4. A borrower is considered to have an economic hardship if the borrower:
   a. Is working full-time but earning an amount that does not exceed (the greater of):
      1) the federal minimum wage *or*
      2) an amount equal to 100% of the poverty line for a family of two as determined according to section 673(2) of the Community Service Block Grant Act **OR**
   b. meets other regulatory criteria that take into account the borrower's debt-to-income ratio as a primary factor.
5. Deferment is for a period in which the borrower is engaged in service eligible for Federal Perkins Loan cancellation.
6. Applies to borrower or care of spouse only. Does not allow deferment for the care of temporarily totally disabled dependent.
7. Borrower must not be attending an eligible postsecondary institution or be gainfully employed. Deferment must begin within 6 months after the borrower ceased to be enrolled at least half time at an eligible institution.
8. Borrower's salary must not be more than $1 over the minimum hourly wage rate.
9. Infants, toddlers, children, and youth with disabilities are defined in Section S 602(a)(1) and 672(1) of the Individuals with Disabilities Education Act.
10. Must be employed in a public or nonprofit program under public supervision. A qualified professional provider of early intervention services is defined in Section 672(2) of the Individuals with Disabilities Education Act.
11. Must be employed in public or nonprofit child or family services agency. High-risk children are defined as individuals under the age of 21 who: are low-income; have been or are at risk of being abused or neglected; have serious emotional, mental, or behavioral disturbances; reside in placements outside of their homes; or are involved in the juvenile justice system. Low-income communities are defined as those communities in which there is a high concentration of children eligible to be counted under Chapter 1 of Title I of the Elementary and Secondary Act of 1965.

Federal Perkins Loan Cancellation Conditions†

CANCELLATION CRITERIA	Federal Perkins/ National Direct Loans Made on or after 07/23/92	Federal Perkins Loans Made Prior to 07/23/92	National Direct Loan Made Prior to 07/23/92	National Defense Loan
Total and permanent disability or death of borrower	100%	100%	100%	100%
Full-time employment in a Head Start Program [1]	100%	100%	100%	N/A
Full-time law enforcement or correction officer [2]	100%	100% [3]	100% [3]	N/A
Full-time teaching in low-income school eligible for funding under Chapter 1 of the Education Consolidation and Improvement Act of 1981 [2/5]	100%	100%	100%	100% [6]
Full-time special education teacher, including teacher of infants, toddlers, children, or youth with disabilities [4/7]	100%	N/A	N/A	N/A
Provider of early intervention services in a public or nonprofit program under public supervision [2/8]	100%	N/A	N/A	N/A
Full-time teacher of handicapped services in a public or nonprofit elementary/secondary school	N/A	100% [4]	100% [4]	100% [6]
Full-time teacher of mathematics, science, foreign languages, bilingual education, or any field of expertise determined by the state education agency to have a shortage of qualified teachers [4]	100%	N/A	N/A	N/A
Provider or supervisor of provision of services to high-risk children from low-income communities and their families [2/9]	100%	N/A	N/A	N/A
Nurse or medical technician providing health care service [4]	100%	N/A	N/A	N/A
Peace Corps or ACTION Program volunteer [10]	70% - Perkins (N/A - Natl. Direct Loan)	70%	N/A	N/A
Service in U.S. Armed Forces	50% [11]	50% [11]	50% [11]	50% [12]
Full-time teaching in public/nonprofit elementary/secondary school, institution of higher education or overseas U.S. Department of Defense elementary/secondary school	N/A	N/A	N/A	50% [13]
Bankruptcy [14]	in some cases	in some cases	in some cases	in some cases

†Notes follow on the next page.

Federal Perkins Loan Cancellation Conditions

This chart is to be used for reference only. Refer to Part E of the Higher Education Act and 34 CFR Part 674, Subpart D, (which the chart and provisions summarize) if you have any questions about a particular borrower's eligibility.

1. Cancellation rate is 15% per year.

2. Cancellation rate is 15% per year for first and second years; 20% per year for third and fourth years; and 30% for fifth year.

3. Applies only to loans made on or after 11/29/90.

4. Cancellation rate is 15% per academic year for first and second years; 20% per academic year for third and fourth years; and 30% for fifth academic year.

5. If borrower teaches at a school that does not qualify as a low-income school in a subsequent year, the borrower remains eligible for loan cancellation as long as the borrower continues to teach full-time at the school.

6. Cancellation rate is 15% per academic year.

7. Infants, toddlers, children, and youth with disabilities are defined in Section 602(a)(1) and 672(1) of the Individuals with Disabilities Education Act.

8. A qualified professional provider of early intervention services is defined in Section 672(2) of the Individuals with Disabilities Education Act.

9. Must be employed in public or nonprofit child or family services agency. High-risk children are defined as individuals under the age of 21 who: are low-income; have been or are at risk of being abused or neglected; have serious emotional, mental, or behavioral disturbances; reside in placements outside of their homes; or are involved in the juvenile justice system. Low-income communities are defined as those communities in which there is a high concentration of children eligible to be counted under Chapter 1 of the Elementary and Secondary Education Act of 1965.

10. Cancellation applies only to Federal Perkins Loans; it does not apply to National Direct Loans. Cancellation rate is 15% per year for first and second years; 20% per year for third and fourth years.

11. Military service must be in an area that qualifies for hazardous-duty pay. Cancellation rate is 12.5% per year of qualifying service.

12. Cancellation rate is 12.5% per year of consecutive service.

13. Cancellation rate is 10% per academic year.

14. Loan is cancelled only if collection is stayed by a bankruptcy court. If the loan is not ultimately discharged in bankruptcy, it again becomes the borrower's obligation.

PRACTICE

Review Quiz

1. What are the three campus-based programs?

____

____

____

2. How do schools apply for and report on campus-based program funds to ED?

____

____

____

3. Which of the campus-based programs is for undergraduate students only?

____

____

____

4. Schools are entitled to an ____________________________ to help offset costs such as salaries, travel, and supplies.

5. All three campus-based programs are administered by ED. True or False?

☐ True

☐ False

PRACTICE (cont'd)

Exercise 1 — Federal Supplemental Educational Opportunity Grant Program (FSEOG)

Your federal allocation for FSEOG for a given award year is $75,000. You decide to take all of your administrative cost allowance (ACA) from the federal share of your Perkins Loan fund, so that the FSEOG allocation can be entirely used for the federal share of awards to students.

1. What will be the total FSEOG awards to students, including your school's nonfederal share?

2. What would be your school's nonfederal match?

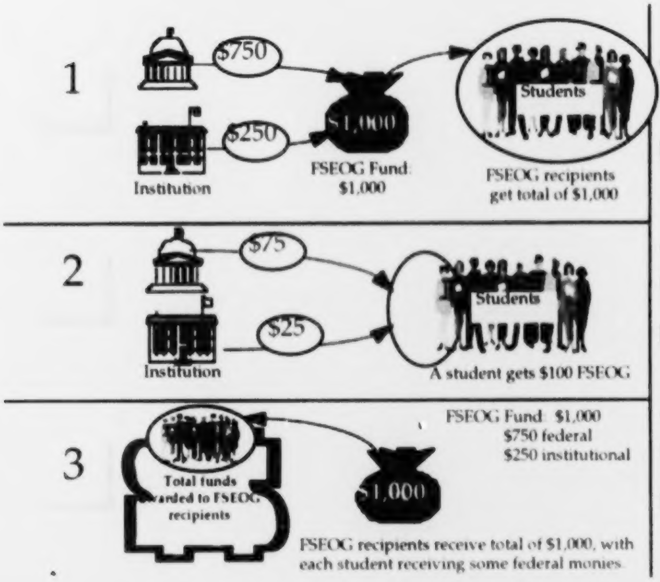
Exercise 2 — Methods of Meeting Nonfederal Share

Read the section below, then identify the methods that are illustrated by filling in the blanks in the diagram.

There are three methods of meeting the nonfederal share requirement:

- **Individual-recipient basis**—The school may provide its share to each individual FSEOG recipient together with the federal share such that each student's total FSEOG award consists of 25% nonfederal dollars and 75% federal dollars.
- **Aggregate basis**—The school may ensure that the sum of all funds awarded to all FSEOG recipients in a given award year consists of 75% federal dollars and 25% nonfederal dollars. Although each individual will not be receiving an award consisting of 75% federal and 25% nonfederal funds, each student must receive some federal monies.
- **Fund-specific basis**—The school may establish an FSEOG fund into which it deposits federal program funds and the required 25% nonfederal share. Awards to FSEOG recipients are then made from this mixed fund.

Three Methods to Meet Nonfederal Share


1
$750
$250
$1,000
Institution
FSEOG Fund: $1,000
Students
FSEOG recipients get total of $1,000
2
$75
$25
Institution
Students
A student gets $100 FSEOG
3
Total funds awarded to FSEOG recipients
$1,000
FSEOG Fund: $1,000
$750 federal
$250 institutional
FSEOG recipients receive total of $1,000, with each student receiving some federal monies

This is meeting the nonfederal share on the ____________________ basis.

This is meeting the nonfederal share on the ____________________ basis.

This is meeting the nonfederal share on the ____________________ basis.

PRACTICE (cont'd)

Exercise 3 — Federal Work-Study Community-Service Requirement

A school must expend the greater of 5% of the total FWS allocation or the amount of supplemental FWS allocation for payment of wages to students employed in community-service jobs.

Scenario A

A school receives $500,000 initial FWS allocation and $30,000 supplemental FWS allocation.

$500,000	initial allocation	$530,000
+ 30,000	supplemental allocation	x .05
$530,000	total allocation	$ 26,500

1. How much does the school have to expend for community-service jobs?

   $ ________

Scenario B

A school receives $250,000 initial FWS allocation and $10,000 supplemental FWS allocation.

$250,000	initial allocation	$260,000
+ 10,000	supplemental allocation	x .05
$260,000	total allocation	$ 13,000

2. How much does the school have to expend for community-service jobs?

   $ ________

Exercise 4 — Federal Work-Study Carry Forward

Carry Forward: The financial aid administrator projects that not all of the 1998-99 FWS funds will be used by the close of the award year. However, it is anticipated that the funds could be used in the 1999-2000 award year. The decision is made to carry forward the maximum 10% of the 1998-99 FWS allocation.

1998-99 FWS Authorization	$175,000
	x .10
Maximum 10% Carry Forward to 1999-2000	$ 17,500
Remaining 1998-99 FWS Funds	$157,500
1999-2000 FWS Authorization	$180,000

1. What is the total amount of FWS funds available for 1999-2000?

   $ __________

PRACTICE (cont'd)

Exercise 5 — Federal Perkins Loan Deferment Provisions

On pages 3 and 4 of this Workbook, you'll find a table titled "Federal Perkins Loan Deferment Provisions" and accompanying notes. Use the table to answer the three questions that follow:

1. Fred is a Peace Corps volunteer whose Federal Perkins Loan was disbursed on January 4, 1996. For which deferment provisions is he eligible?

2. Susan gave birth to a bouncing baby boy on November 1, 1996. Her Federal Perkins Loan was disbursed on August 30, 1996. For which deferment provisions is she eligible?

3. Victor's Federal Perkins Loan was disbursed in fall 1995. He graduated in 1996 and has not been able to get full-time employment. For which deferment provisions is he eligible?

PRACTICE (cont'd)

Exercise 6 — Federal Perkins Loan Cancellation Conditions

On pages 5 and 6 of this Workbook, you'll find a table titled "Federal Perkins Loan Cancellation Conditions" and accompanying notes. Use the table to answer the two questions below.

1. Jane has been a math teacher for three months. Her Federal Perkins Loan was made on September 5, 1996. The state education agency has determined that there is a shortage of qualified math teachers. Must the school cancel any part of her loan?

2. Earl has been a full-time teacher of handicapped students in a public secondary school for three years. His Perkins Loan was made on July 22, 1991. Must the school cancel any part of his loan?

Exercise 7 — Transferring Funds Between Campus-Based Programs

Suppose that, after carefully reviewing the projected FSEOG and FWS funds needed for 1998-99 awards, the financial aid administrator decides to transfer the maximum allowable amount of the FWS authorization to the FSEOG Program. Look at the authorizations shown below. How much is transferred to FSEOG? After the transfer, how much is available for FWS and FSEOG awards? Fill in the missing amounts.

1998-99 FWS Authorization:	$ 200,000
1998-99 FSEOG Authorization:	$ 120,000
25% FWS Transferred to FSEOG:	$ __________
Remaining 1998-99 FWS Funds:	$ __________
Total available FSEOG Funds for 1998-99:	$ __________

BACK AT THE OFFICE

Back at the office, you should:

- If you plan to take part in the Federal Work-Study (FWS) Program, contact your school's state commission for National and Community Service (a state-by-state listing starts on page 24 of the Workbook) for information about establishing FWS community-service jobs.
- ____
- ____
- ____

ANSWER KEY

Review Quiz

1. What are the three campus-based programs?

   FSEOG, FWS, and Perkins Loan

2. How do schools apply for and report on campus-based program funds to ED?

   Electronic FISAP

3. Which of the campus-based programs is for undergraduate students only?

   FSEOG

4. Schools are entitled to an ______________________________ to help offset costs such as salaries, travel, and supplies.

   Administrative cost allowance

5. All three campus-based programs are administered by ED. True or False?

   False. Schools administer campus-based programs.

Exercise 1 — Federal Supplemental Educational Opportunity Grant Program (FSEOG)

Your federal allocation for FSEOG for a given award year is $75,000. You decide to take all of your administrative cost allowance (ACA) from the federal share of your Perkins Loan fund, so that the FSEOG allocation can be entirely used for the federal share of awards to students.

1. What will be the total FSEOG awards to students, including your school's nonfederal share?

   $100,000. You know 75% of the total award equals $75,000. To determine the amount of the total, divide $75,000 by .75. The total is $100,000.

2. What would be your school's nonfederal match?

   The school's share must be at least $25,000. To determine the school's share, multiply $100,000 by .25.

Exercise 2 — Methods of Meeting Nonfederal Share

Read the section below, then identify the methods that are illustrated by filling in the blanks in the diagram.

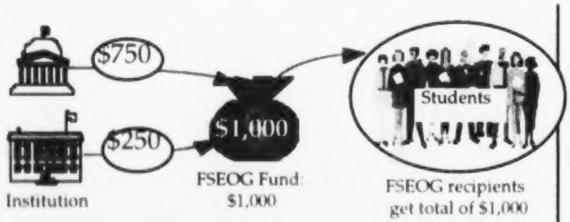
There are three methods of meeting the nonfederal share requirement.

- **Individual-recipient basis**—The school may provide its share to each individual FSEOG recipient together with the federal share such that each student's total FSEOG award consists of 25% nonfederal dollars and 75% federal dollars.
- **Aggregate basis**—The school may ensure that the sum of all funds awarded to all FSEOG recipients in a given award year consists of 75% federal dollars and 25% nonfederal dollars. Although each individual will not be receiving an award consisting of 75% federal and 25% nonfederal funds, each student must receive some federal monies.

Fund-specific basis—The school may establish an FSEOG fund into which it deposits federal program funds and the required 25% nonfederal share. Awards to FSEOG recipients are then made from this mixed fund.

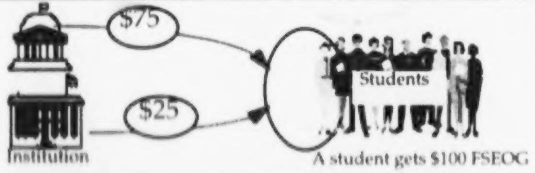
Three Methods to Meet Nonfederal Share

1


$750
$250
$1,000
Students
Institution
FSEOG Fund: $1,000
FSEOG recipients get total of $1,000

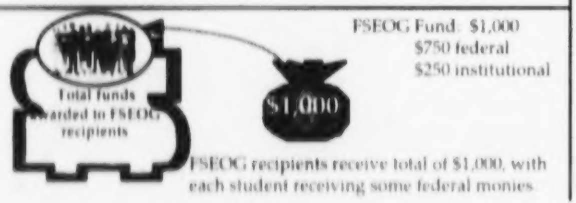
This is meeting the nonfederal share on the fund-specific basis.

2


$75
$25
Students
Institution
A student gets $100 FSEOG

This is meeting the nonfederal share on the individual-recipient basis.

3


FSEOG Fund: $1,000
$750 federal
$250 institutional
Total funds awarded to FSEOG recipients
$1,000
FSEOG recipients receive total of $1,000, with each student receiving some federal monies

This is meeting the nonfederal share on the aggregate basis.

Exercise 3 — Federal Work-Study Community-Service Requirement

A school must expend the greater of 5% of total FWS allocation or amount of supplemental FWS allocation for payment of wages to students employed in community-service jobs.

Scenario A

A school receives $500,000 initial FWS allocation and $30,000 supplemental FWS allocation.

$500,000	initial allocation	$530,000
+ 30,000	supplemental allocation	x .05
$530,000	total allocation	$ 26,500

1. How much does the school have to expend for community-service jobs?

   Because the amount of supplemental allocation is greater than 5% of the total allocation, the school must expend $30,000 (supplemental allocation) for community-service jobs.

Scenario B

A school receives $250,000 initial FWS allocation and $10,000 supplemental FWS allocation.

$250,000	initial allocation	$260,000
+ 10,000	supplemental allocation	x .05
$260,000	total allocation	$ 13,000

2. How much does the school have to expend for community-service jobs?

   Because 5% of the total allocation is greater than the amount of the supplemental allocation, the school must expend 5% of the allocation or $13,000 for community-service jobs.

Exercise 4 — Federal Work-Study Carry Forward

Carry Forward: The financial aid administrator projects that not all of the 1998-99 FWS funds will be used by the close of the award year. However, it is anticipated that the funds could be used in the 1999-2000 award year. The decision is made to carry forward the maximum 10% of the 1998-99 FWS allocation.

1998-99 FWS Authorization	$175,000
	x .10
Maximum 10% Carry Forward to 1999-2000	$ 17,500
Remaining 1998-99 FWS Funds	$157,500
1999-2000 FWS Authorization	$180,000

1. What is the total amount of FWS funds available for 1999-2000?

The answer is $197,500. We add the 10% carried forward from 1998-99, which is $17,500, to the 1999-2000 allocation, which is $180,000, to get the FWS funds available for 1999-2000—$197,500.

437

ANSWER KEY (cont'd)

Exercise 5 — Federal Perkins Loan Deferment Provisions

On pages 3 and 4 of this Workbook, you'll find a table titled "Federal Perkins Loan Deferment Provisions" and accompanying notes. Use the table to answer the three questions that follow:

1. Fred is a Peace Corps volunteer whose Federal Perkins Loan was disbursed on January 4, 1996. For which deferment provisions is he eligible?

   Fred's deferment is for the period that he is in the Peace Corps. (As the cancellation chart shows, he is also eligible for partial Federal Perkins Loan cancellation of 15% per year for the first and second years and 20% per year for the third and fourth years.)

2. Susan gave birth to a bouncing baby boy on November 1, 1996. Her Federal Perkins Loan was disbursed on August 30, 1996. For which deferment provisions is she eligible?

   Susan is not eligible for deferment. There are no deferment provisions for Perkins Loans made on or after July 1, 1993 for the care of a newborn.

3. Victor's Federal Perkins Loan was disbursed in fall 1995. He graduated in 1996 and has not been able to get full-time employment. For which deferment provisions is he eligible?

   Victor can receive permission to defer repayment for up to three years—principal does not need to be paid, and interest does not accrue.

ANSWER KEY (cont'd)

Exercise 6 — Federal Perkins Loan Cancellation Conditions

On pages 5 and 6 of this Workbook, you'll find a table titled "Federal Perkins Loan Cancellation Conditions" and accompanying notes. Use the table to answer the two questions below.

1. Jane has been a math teacher for three months. Her Federal Perkins Loan was made on September 5, 1996. The state education agency has determined that there is a shortage of qualified math teachers. Must the school cancel any part of her loan?

   No, not yet, but 15% of her loan must be canceled after one year, and 100% of it must be canceled if she teaches for five years.

2. Earl has been a full-time teacher of handicapped students in a public secondary school for three years. His Perkins Loan was made on July 22, 1991. Must the school cancel any part of his loan?

   Yes, 50% of his loan must be canceled by this point, and 100% of it must be canceled if he teaches in the school for two or more years.

Exercise 7 — Transferring Funds Between Campus-Based Programs

Suppose that, after carefully reviewing the projected FSEOG and FWS funds needed for 1998-99 awards, the financial aid administrator decides to transfer the maximum allowable amount of the FWS authorization to the FSEOG Program. Look at the authorizations shown below. How much is transferred to FSEOG? After the transfer, how much is available for FWS and FSEOG awards? Fill in the missing amounts.

1998-99 FWS Authorization:	$ 200,000
1998-99 FSEOG Authorization:	$ 120,000
25% FWS Transferred to FSEOG:	**$ 50,000**
Remaining 1998-99 FWS Funds:	**$ 150,000**
Total available FSEOG Funds for 1998-99	**$ 170,000**

STATE COMMISSIONS FOR NATIONAL AND COMMUNITY SERVICE

Alabama
Ms. Elaine Wiggins
Alabama National and Community Service State Commission
Governor's Office
The State House, Suite 224
Montgomery, AL 36104
Phone: 334-242-7174 Fax: 334-242-2885

Alaska
Ms. Michelle Anderson
Alaska State Community Service Commission
Department of Community and Regional Affairs
153rd Street
Juneau, AK 99811
Phone: 907-465-4756 Fax: 907-465-2948

Arizona
Ms. Michelle Lyons-Mayer
Arizona National and Community Service Commission
1700 West Washington Street, Suite 101C
Phoenix, AZ 85007
Phone: 602-542-3461 Fax: 602-542-3520

Arkansas
Ms. Betty Hicks
Arkansas Commission on National and Community Service
Donaghey Plaza South, 7th and Main Streets, Suite 1300
Little Rock, AR 72201
Phone: 501-682-6717 Fax: 501-682-1623
Email: arcns@aol.com

California
Dr. Linda Forsyth
California Commission on Improving Life Through Service
1121 L Street, Suite 600
Sacramento, CA 95814
Phone: 916-323-7646 Fax: 916-323-3227
Email: LFORSYTH@CA.OCDE.GOV

STATE COMMISSIONS FOR NATIONAL AND COMMUNITY SERVICE (cont'd)

Colorado
Mr. Greg Geissler
Colorado State Commission
1313 Sherman, Suite 500
Denver, CO 80203
Phone: 303-866-4900 Fax: 303-866-4992

Connecticut
Ms. Sandy Santy
Connecticut Commission on National and Community Service
Department of Higher Education
61 Woodland Street
Hartford, CT 06105
Phone: 203-566-6154 Fax: 203-566-7865
Email: wpfellowship@apollo.commnet.edu

Delaware
Mr. Vollie Melson
Delaware Commission on National and Community Service
Carvel State Office Building, Fourth Floor
820 North French Street
Wilmington, DE 19801
Phone: 302-577-6650 Fax: 302-577-6828
Email: DECNCS@aol.com

District of Columbia
Ms. Yvonne Walker
D.C. Commission on National and Community Service
Office of Policy and Evaluation
441 Fourth Street, NW, Suite 920 South
Washington, DC 20001
Phone: 202-727-6979 Fax: 202-727-3765

STATE COMMISSIONS FOR NATIONAL AND COMMUNITY SERVICE (cont'd)

Florida
Mr. Bill Bentley
Florida Governor's Commission on Community Service
The Bloxham Building, Suite 109
725 South Calhoun Street
Tallahassee, FL 32301
Phone: 904-921-5172 Fax: 904-921-5146
Email: tabatha-burn-mcmahon@flcomsrvc.win.nat

Georgia
Ms. Lynn Thornton
Georgia Commission on National and Community Service
2020 Equitable Building
100 Peachtree Street
Atlanta, GA 30303
Phone: 404-657-7827 Fax: 404-657-7835
Email: gcncs@mindspring.com

Hawaii
Mr. Isaac Watson
Hawaii State Commission on National and Community Service
335 Merchant Street, Room 101
Honolulu, HI 96813
Phone: 808-586-8675 Fax: 808-586-8685

Idaho
Ms. Kelly Houston
Idaho Commission for National and Community Service
500 South Tenth Street
P.O. Box 83720
Boise, ID 83720-0018
Phone: 208-332-8274 Fax: 208-334-3635

Illinois
Ms. Jeanne Bradner
Illinois Commission on Community Service
Department of Commerce and Community Affairs
100 West Randolf, Suite 3-400
Chicago, IL 60601
Phone 312-814-5940 Fax: 312-814-7236

STATE COMMISSIONS FOR NATIONAL AND COMMUNITY SERVICE (cont'd)

Indiana
Mr. Joe Smith
Indiana Commission on Community Service
302 West Washington Street, Room E220
Indianapolis, IN 46204
Phone: 317-233-4273 Fax: 317-233-5660
Email: Amy_Warner_@_DWD_UI@ima.isd.state.in.us

Iowa
Ms. Barbara Finch
Iowa Commission on Community Service
150 East Des Moines Street
Des Moines, IA 50309
Phone: 515-281-9043 Fax: 515-281-9033

Kansas
Ms. Patricia Kells
Kansas Commission on National and Community Service
200 SW 6th Street
P.O. Box 889
Topeka, KS 66603
Phone: 913-234-1423 Fax: 913-234-1429
Email: pkells@smtpgw.ksbe.state.ks.us

Kentucky
Mr. Dwen Chester
Kentucky Community Service Commission
State Office Building, Room 923
501 High Street
Frankfort, KY 40622
Phone: 502-564-5330 Fax: 502-564-7987
Email: fwbowen@dotsob.kytrans.kytc.state.ky.us

Louisiana
Ms. Sara Sims
Louisiana Service Commission
263 Third Street, Suite 610
Baton Rouge, LA 70802
Phone: 504-342-2038 Fax: 504-342-0106

STATE COMMISSIONS FOR NATIONAL AND COMMUNITY SERVICE (cont'd)

Maine
Ms. Maryalice Crofton
Maine Commission on National and Community Service
Maine State Planning Office/State House
184 State Street - Station #38
Augusta, ME 04333
Phone 207-287-5300 Fax: 207-287-6489
Email: mccs@state.me.us

Maryland
Dr. Marilyn W. Smith
Governor's Commission on Service
300 West Preston Street, Sixth Floor
State Office Building
Baltimore, MD 21201
Phone: 410-225-1216 Fax: 410-333-5957
Email: ms247@umail.umd.edu

Massachusetts
Ms. Kate Mehr
Massachusetts National and Community Service Commission
87 Summer Street, Fourth Floor
Boston, MA 02110
Phone: 617-542-2544 Fax: 617-542-0240
Email: 1021072315@compuserve.com

Michigan
Mr. Frank Dirks
Michigan Community Service Commission
111 South Capitol Avenue - Olds Plaza Building, Fourth Floor
Lansing, MI 48909
Phone: 517-335-4295 Fax: 517-373-4977

Minnesota
Ms. Mary Jo Richardson
Minnesota Commission on National and Community Service
683 Capitol Square Building
Saint Paul, MN 55101
Phone: 612-296-1435 Fax: 612-296-3348
Email: MARYJO.RICHARDSON@state.mn.us

STATE COMMISSIONS FOR NATIONAL AND COMMUNITY SERVICE (cont'd)

Mississippi
Ms. Marsha Meeks Kelly
Mississippi Commission for National and Community Service
3825 Ridgewood Road
Jackson, MS 39211-6543
Phone: 601-982-6738 Fax: 601-982-6790
Email: mkelly@ihl.state.ms.us

Missouri
Mr. Curtis Hendricks
Missouri Commission on Community Service
c/o Lieutenant Governor's Office, Capitol Building
210 West Capitol Avenue, Room B-14B
Jefferson City, MO 65101
Phone: 573-751-0382 Fax: 573-751-9612

Montana
Ms. Mary Blake
Montana Community Services Advisory Council
State Capitol, Room 219
Helena, MT 59620
Phone 406-444-5547 Fax: 406-444-4418
Email: cg2077%zip02@mt.gov

Nebraska
Mr. Thomas Miller
Nebraska Commission for National and Community Service
State Capitol, Sixth Floor
P.O. Box 98927
Lincoln, NE 68509
Phone: 402-471-6225 Fax: 402-471-6286
Email: ncncs@aol.com

Nevada
Ms. Karen LaBat
Nevada Commission for National and Community Service
200 South Third Street, Suite 448
Las Vegas, NV 89155
Phone: 702-486-2730 Fax: 702-486-2733

STATE COMMISSIONS FOR NATIONAL AND COMMUNITY SERVICE (cont'd)

New Hampshire
Mr. Tim Dupree
New Hampshire Commission on National and Community Service
64 Old Suncook Road
Concord, NH 03301
Phone: 603-229-3406 Fax: 603-229-3408
Email: tdupree@MWHITE.MV.COM

New Jersey
Ms. Rowena Madden
New Jersey Commission on National and Community Service
c/o New Jersey Department of Education
Office of Innovative Programs
100 Riverview Plaza, CN 500
Trenton, NJ 08625
Phone: 609-633-9629 Fax: 609-633-9825

New Mexico
Mr. Jack Ortega
New Mexico Commission for National and Community Service
Children Youth and Family Department
1120 Paseo de Paralta
Santa Fe, NM 87501
Phone: 505-827-8019 Fax: 505-827-9978

New York
Ms. Nikki Smith
New York Commission on National and Community Service
State Capitol, Room 254
Division of the Budget
Albany, NY 12224
Phone: 518-473-8882 Fax: 518-486-1217
Email: PROGRAM.AMERICORPS@budget. mailnet.state.NY.US

North Carolina
Ms. Jacquie Kennedy
North Carolina State Commission on National and Community Service
North Carolina Governor's Office of Citizen Affairs
121 West Jones Street.
Raleigh, NC 27603
Phone: 919-715-3470 Fax: 919-715-2972

STATE COMMISSIONS FOR NATIONAL AND COMMUNITY SERVICE (cont'd)

Ohio
Ms. Kitty Burcsu
Governor's Community Service Commission
51 North High Street, Suite 481
Columbus, OH 43215
Phone: 614-728-2916 Fax: 614-728-2921
Email: 76702.2246@compuserve.com

Oklahoma
Ms. Nancy Deaver
Oklahoma Community Service Commission
1515 North Lincoln
Oklahoma City, OK 73104
Phone: 405-235-7278 Fax: 405-235-7036
Email: okcom@aol.com

Oregon
Ms. Marlis Miller
Oregon Commission for National and Community Service
Portland State University/CSC — Neuberger Hall
724 Southwest Harrison, P.O. Box 751
Portland, OR 97207-0751
Phone: 503-725-5903 Fax: 503-725-8335
Email: marlism@nh1.nh.pdx.edu

Pennsylvania
Ms. Karen S. Fleisher
PennSERVE: The Governor's Office of Citizen Service
Department of Labor and Industry
1304 Labor and Industry Building
Seventh and Forster Streets
Harrisburg, PA 17120
Phone: 717-787-1971 Fax: 717-787-9458

Puerto Rico
Dr. Jorge Luis Reyes
Puerto Rico State Commission of Community Service
La Fortaleza
San Juan, PR 00901
Phone: 809-721-7877 Fax: 809-725-3598
Email: ive99cesc@aol.com

Rhode Island
Mr. David Karoff
Rhode Island Commission for National and Community Service
P. O. Box 72822
441 Pine Street
Providence, RI 02907
Phone: 401-331-2298 Fax: 401-331-2273
Email: ricncs@aol.com

South Carolina
Ms. Jean Moore
South Carolina Commission on National and Community Service
Governor's Office on Volunteerism
1205 Pendelton Street, Room 422
Columbia, SC 29201
Phone: 803-734-1118 Fax: 803-734-2495

Tennessee
Ms. Carol White
Tennessee Commission on National and Community Service
Andrew Jackson Building
500 Deaderick Street, 14th Floor
Nashville, TN 37243
Phone: 615-532-9250 Fax: 615-532-6950

Texas
Ms. Alejandra Fernandez, Acting
Texas Commission on Volunteerism and Community Service
Stephen F. Austin Building
P. O. Box 78701 (1700 North Congress, Suite 310)
Austin, TX 78711-3385
Phone: 512-463-1814 Fax: 512-463-1861
Email: jandri@commish.serve.state.tx.us

Utah
Mr. Michael Call
Utah Commission on Volunteerism
1409 North Research Way, Suite J-1204
Orem, UT 84097
Phone: 801-764-9504 Fax: 801-765-0637
Email: mcall@Email.state.ut.us

STATE COMMISSIONS FOR NATIONAL AND COMMUNITY SERVICE (cont'd)

Vermont
Ms. Jane Williams
Vermont Commission on National and Community Service
133 State Street
Montpelier, VT 05633-4801
Phone: 802-828-4982 Fax: 802-828-4988

Virginia
Ms. B. J. Northington
Virginia Commission on National and Community Service
Governor's Office of Volunteerism
730 East Broad Street, Ninth Floor
Richmond, VA 23219
Phone: 804-692-1952 Fax: 804-692-1999

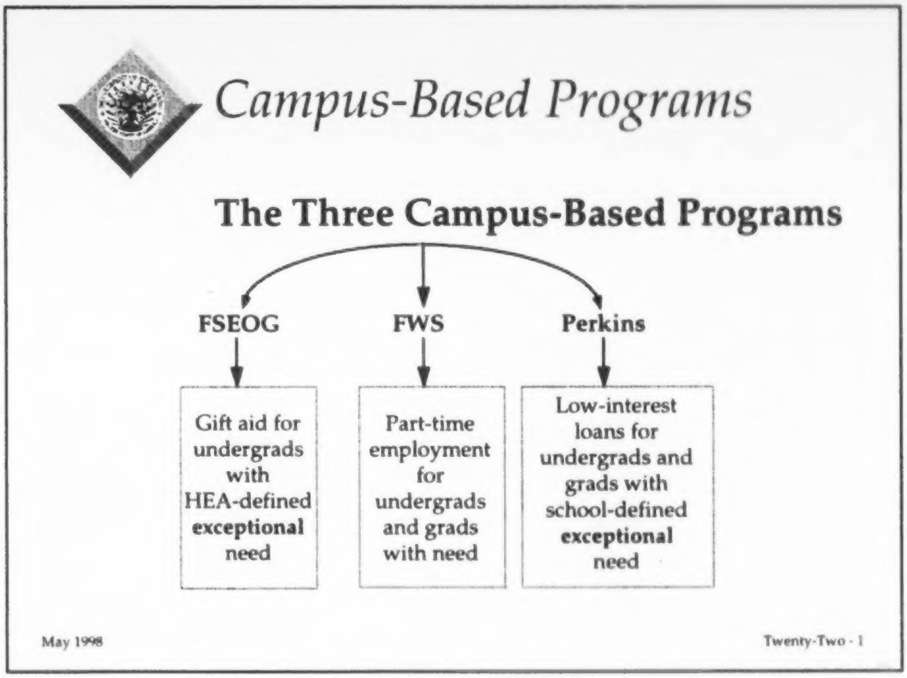
Washington
Mr. Bill Basl
Washington Commission on National and Community Service
Insurance Building, Room 140
Olympia, WA 98504-3113
Phone: 360-753-1814 Fax: 360-586-5281
Email: BillB@OFM.WA.GOV

West Virginia
Ms. Jean Ambrose
West Virginia Commission for National and Community Service
1 United Way Square
Charleston, WV 25301
Phone: 304-340-3627 Fax: 304-340-3629
Email: jambrose@wnpb.wvnet.edu

Wisconsin
Ms. Martha Kerner
Wisconsin National and Community Service Board
101 East Wilson Street, Sixth Floor
Madison, WI 53702
Phone: 608-266-2125 Fax: 608-267-6931
Email: kernem@mail.state.wi.us

STATE COMMISSIONS FOR NATIONAL AND COMMUNITY SERVICE (cont'd)

Wyoming
Ms. Beverly Morrow
Wyoming Commission for National and Community Service
Herschler Building, First Floor West
122 West 25th Street, Room 1608
Cheyenne, WY 82002
Phone: 307-777-5396 Fax: 307-638-8967
Email: SMTP:BMORRO@missc.state.wy.us



Campus-Based Programs

The Three Campus-Based Programs

FSEOG

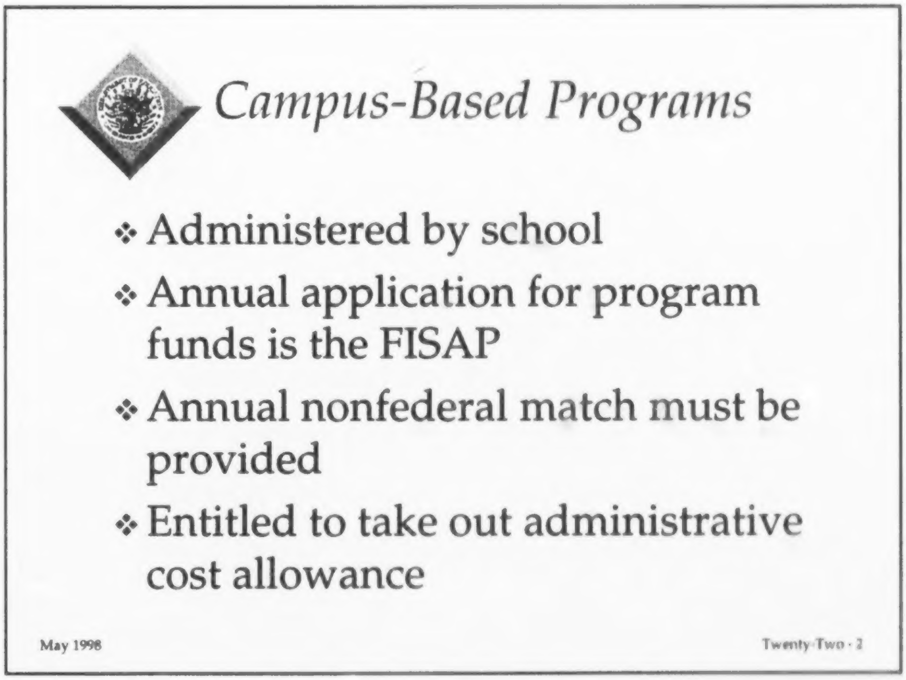
Gift aid for undergrads with HEA-defined **exceptional** need

FWS

Part-time employment for undergrads and grads with need

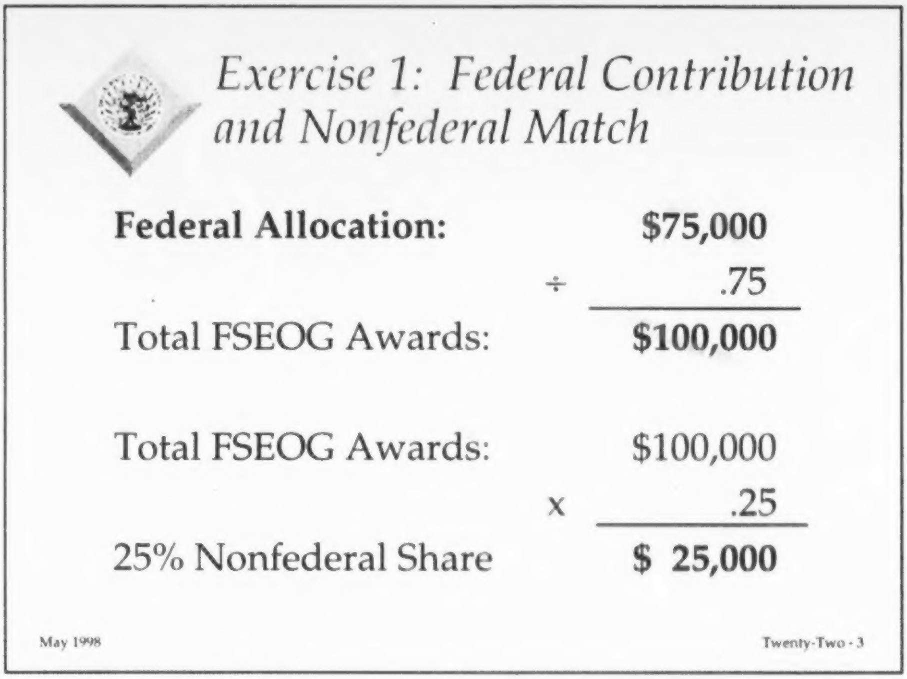
Perkins

Low-interest loans for undergrads and grads with school-defined **exceptional** need



Campus-Based Programs

- Administered by school
- Annual application for program funds is the FISAP
- Annual nonfederal match must be provided
- Entitled to take out administrative cost allowance



Exercise 1: Federal Contribution and Nonfederal Match

Federal Allocation: **$75,000**

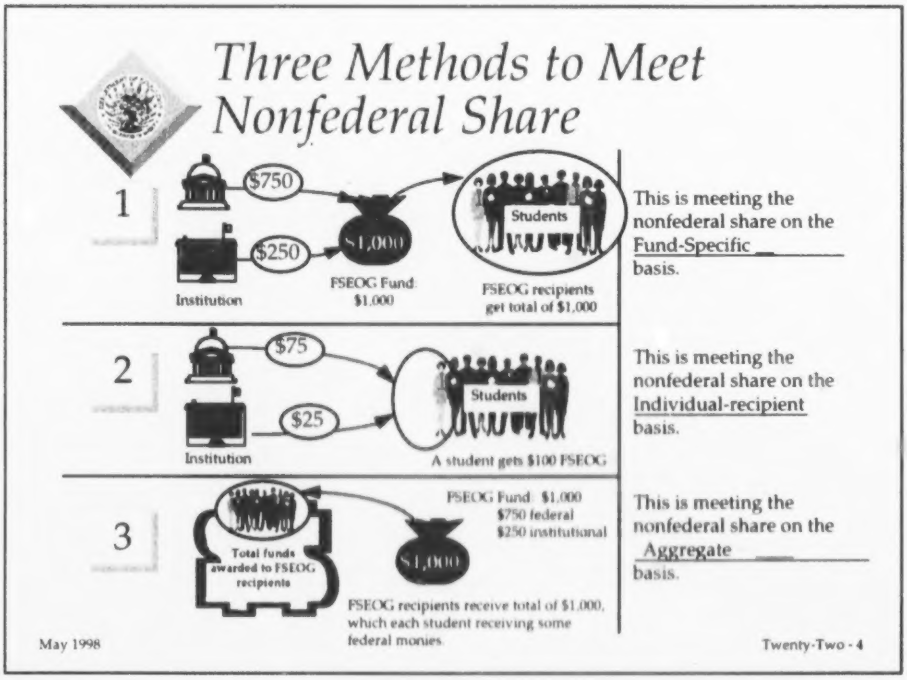
÷ .75

Total FSEOG Awards: **$100,000**

Total FSEOG Awards: $100,000

x .25

25% Nonfederal Share **$ 25,000**

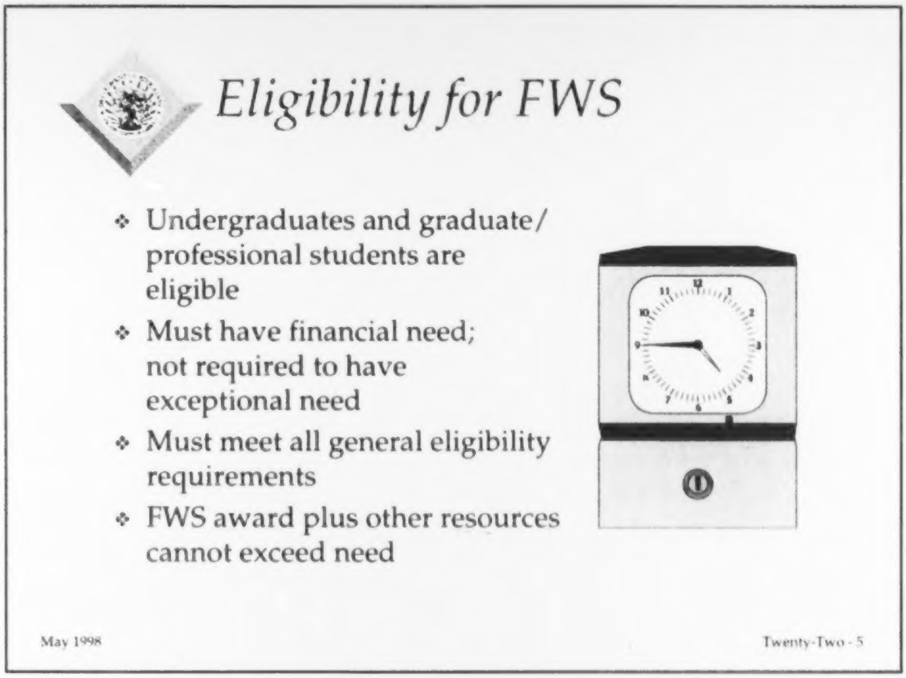


Three Methods to Meet Nonfederal Share

1
$750
$250
$1,000
Students
Institution
FSEOG Fund: $1,000
FSEOG recipients get total of $1,000
2
$75
$25
Students
Institution
A student gets $100 FSEOG
3
Total funds awarded to FSEOG recipients
$1,000
FSEOG Fund: $1,000
$750 federal
$250 institutional

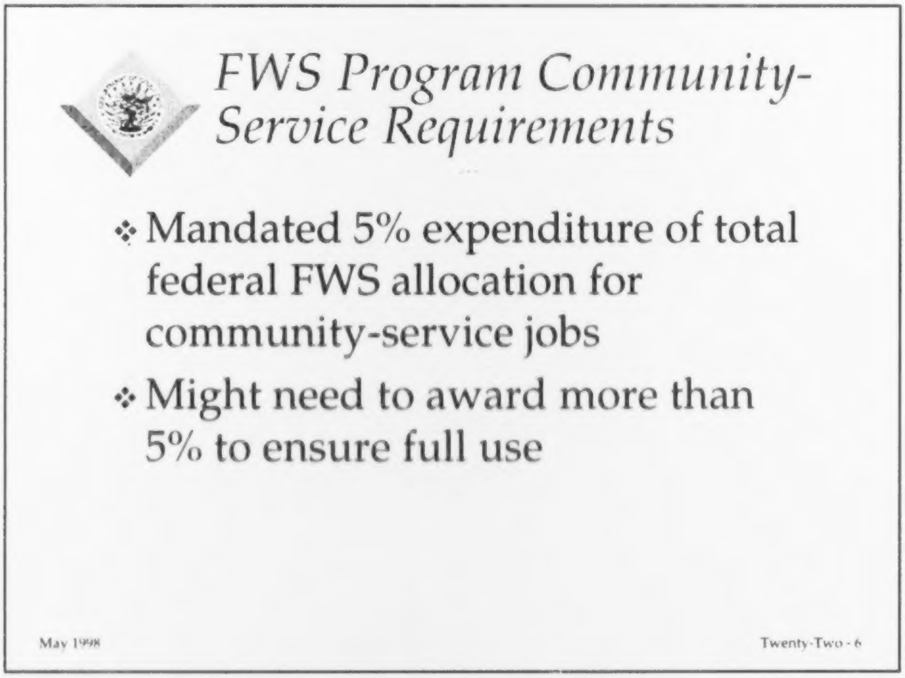
FSEOG recipients receive total of $1,000, which each student receiving some federal monies.

1. This is meeting the nonfederal share on the Fund-Specific basis.
2. This is meeting the nonfederal share on the Individual-recipient basis.
3. This is meeting the nonfederal share on the Aggregate basis.



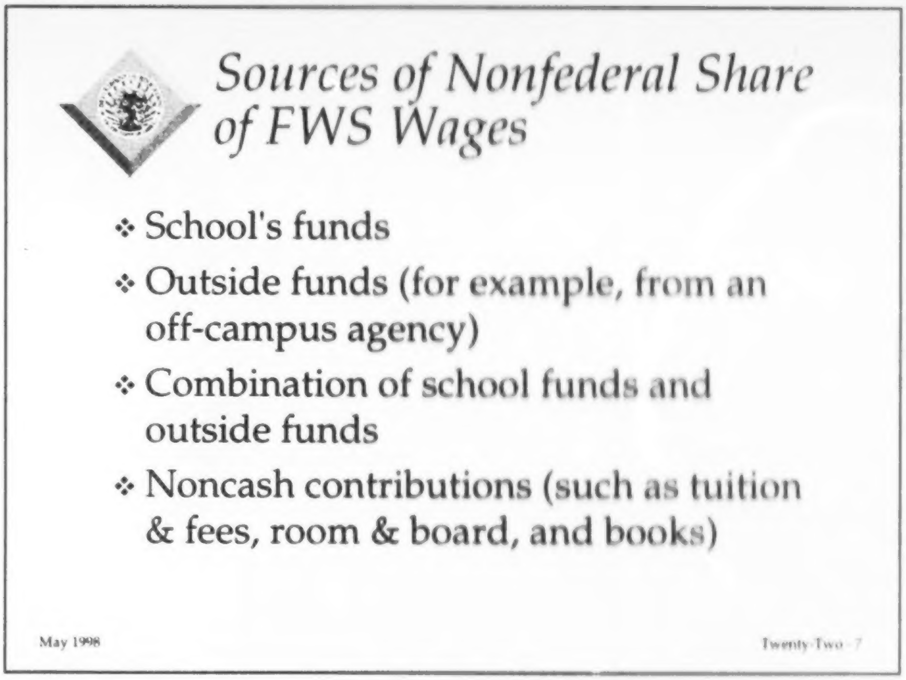
Eligibility for FWS

- Undergraduates and graduate/professional students are eligible
- Must have financial need; not required to have exceptional need
- Must meet all general eligibility requirements
- FWS award plus other resources cannot exceed need



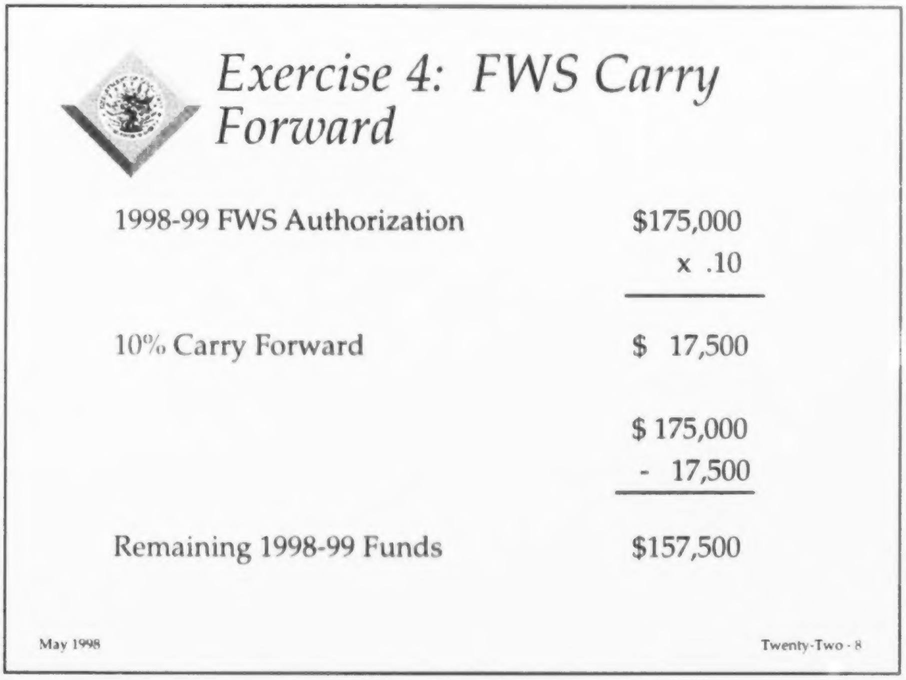
FWS Program Community-Service Requirements

- Mandated 5% expenditure of total federal FWS allocation for community-service jobs
- Might need to award more than 5% to ensure full use



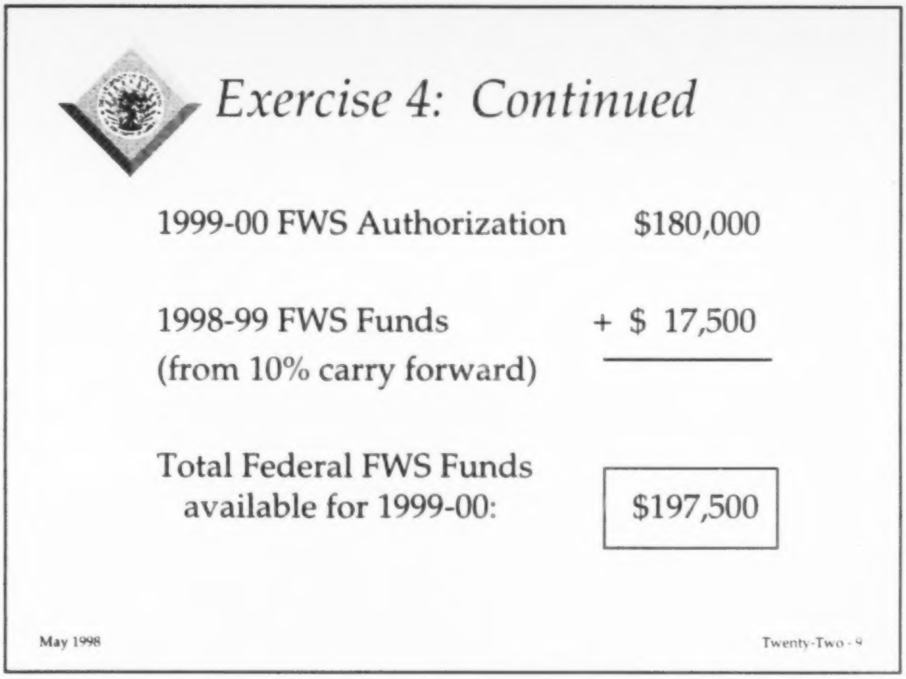
Sources of Nonfederal Share of FWS Wages

- School's funds
- Outside funds (for example, from an off-campus agency)
- Combination of school funds and outside funds
- Noncash contributions (such as tuition & fees, room & board, and books)



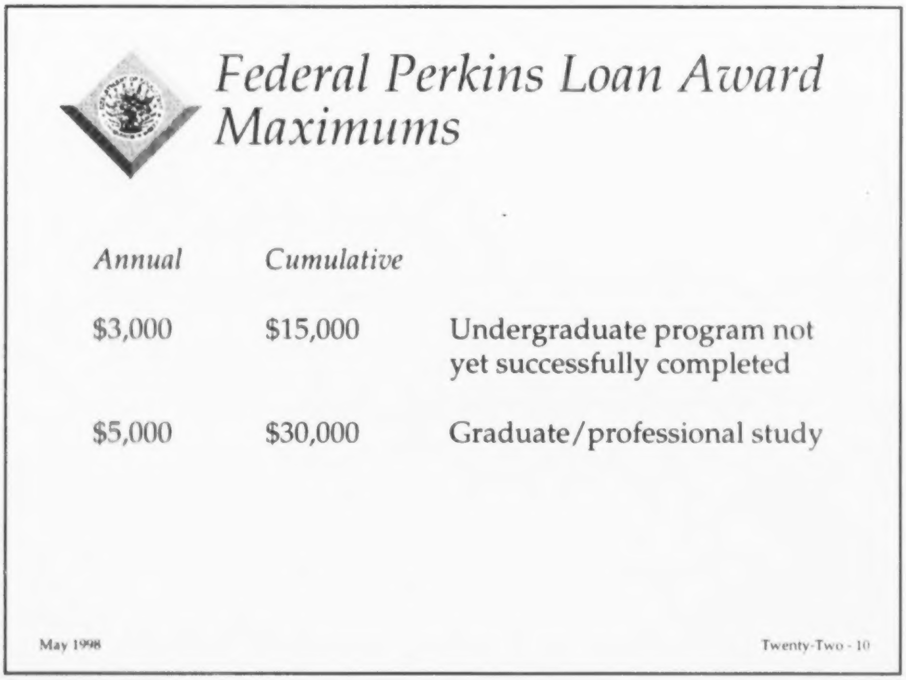
Exercise 4: FWS Carry Forward

1998-99 FWS Authorization	$175,000
	x .10
10% Carry Forward	$ 17,500
	$ 175,000
	- 17,500
Remaining 1998-99 Funds	$157,500



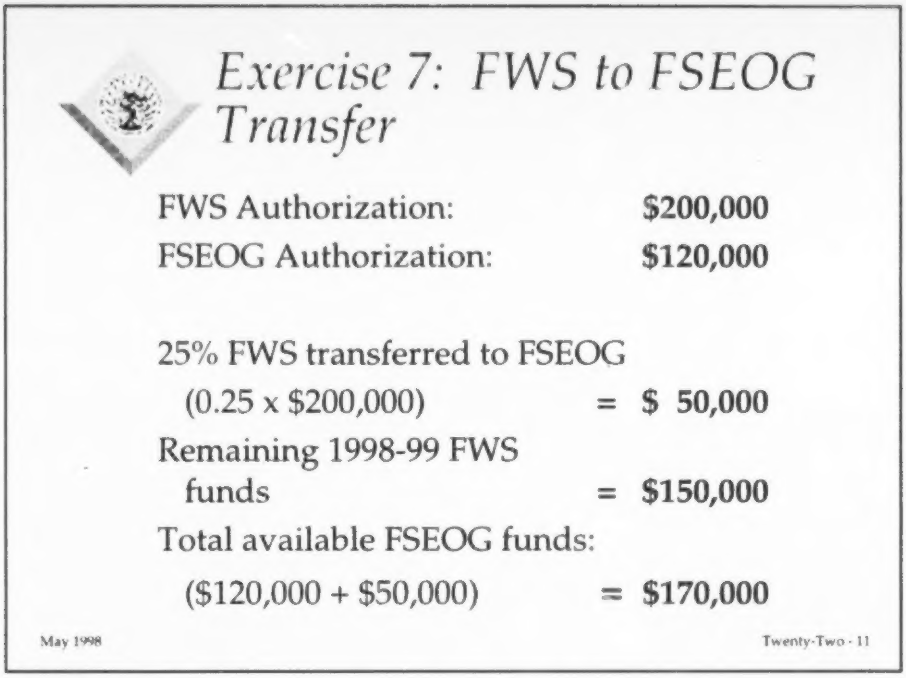
Exercise 4: Continued

1999-00 FWS Authorization	$180,000
1998-99 FWS Funds (from 10% carry forward)	+ $ 17,500
Total Federal FWS Funds available for 1999-00:	$197,500



Federal Perkins Loan Award Maximums

Annual	*Cumulative*	
$3,000	$15,000	Undergraduate program not yet successfully completed
$5,000	$30,000	Graduate/professional study



Exercise 7: FWS to FSEOG Transfer

FWS Authorization:		**$200,000**
FSEOG Authorization:		**$120,000**
25% FWS transferred to FSEOG (0.25 x $200,000)	=	**$ 50,000**
Remaining 1998-99 FWS funds	=	**$150,000**
Total available FSEOG funds: ($120,000 + $50,000)	=	**$170,000**

May 1998

Twenty-Two - 11

Session 23 - Disbursing Campus-Based Awards

By the end of this session, you will be able to:

- ***disburse campus-based student financial aid funds in accordance with Title IV regulations.***

RESOURCES

The 1998-99 Federal Student Financial Aid Handbook, Chapter 3, Chapter 6, Chapter 7, and Chapter 8

SESSION CONTENTS

1. Need to Know
   - Chart — Requirements for Disbursing Campus-Based Funds
2. Practice
   - Exercise 1 — Dividing Awards
   - Exercise 2 — Disbursing FSEOG and Perkins Loan Funds
   - Exercise 3 — Disbursing Campus-Based Awards
3. Back at the Office
4. Answer Key

Requirements For Disbursing Campus-Based Funds

Program Eligibility	Program-Specific Requirements	Methods of Disbursement	First Disbursement Options	Amount of Disbursements	Timing of Disbursements
Federal Perkins Loan Program[1,2] **and** **Federal Supplemental Educational Opportunity Grant (FSEOG)**[1,2]	• Pre-loan counseling—Rights/responsibilities, loan for education purposes, loan must be repaid, other information • Promissory note signed once for each award year prior to disbursement • School must notify student of amount of payment and method of payment • **FSEOG only: If individual-match approach is chosen, and school controls timing of matching funds, school share must be disbursed at the same time as federal portion**	• Credit to student's account at school • Direct payment to student (cash or check) • Electronic transfer to student's bank account	• First disbursement before verification is complete—School is liable • First disbursement before receipt of FAT—School is not liable if FAT requested and no reason to question eligibility	• Standard academic term—Equal division among payment periods • Nonterm—No more than 1/2 prior to midpoint • Program shorter than full academic year—Equal division among payment periods • *But* for uneven costs, may make proportionate payments	• Standard academic terms—Once each payment period • Nonterm—At least twice during academic year—at the beginning of academic year and midpoint of academic year • For six-month training, at least two payments required • <$501 award, only one payment required • Credit to account up to 10 days prior to first day of class • Direct payment to enrolled student up to 10 days prior to first day of classes • If student never attends, FSEOG and Perkins Loan must be returned to program accounts
Federal Work-Study (FWS)	• On-campus employment—School or contractors -- Nonprofit schools or for-profit schools with restrictions -- Federal share cannot exceed 75% of earnings • Off-campus employment—Government or nonprofit agencies -- Federal share cannot exceed 75% of earnings • Off-campus employment—Private for-profit organizations	• Payment of federal share must be by check or similar instrument • School has option to pay nonfederal share with noncash contribution—Must be credited before final payroll period of award year *and* student must receive statement of amount of noncash contribution	• Student may work up to 60 days before verification is complete • Student may work during periods of nonenrollment if accepted for enrollment in next regular session • First disbursement before receipt of FAT—School is not liable if FAT requested and no reason to question eligibility	• At least federal minimum wage • School has option of payment greater than minimum wage	• At least once a month • Must be paid at the same time as federal share

continued on next page

BEST COPY AVAILABLE

Requirements For Disbursing Campus-Based Funds (Continued)

Program Eligibility	Program-Specific Requirements	Methods of Disbursement	Disbursement Options	Amount of Disbursements	Timing of Disbursements
Federal Work-Study (FWS)	• Off-campus employment (cont'd) (-- Academically related work) -- Federal share cannot exceed 50% of earnings • Must use at least 5% of the federal allocation for compensating students employed in community-service jobs				

[1] If crediting a student's account creates a credit balance after taking into account allowable charges, a school must pay that balance directly to the student within 14 days of the latest of:

- the day the credit balance occurs;
- the first day of classes of a payment period or period of enrollment; *or*
- the date a student rescinds authorization for the school to hold excess funds.

[2] Schools must inform students in writing about:

- how much FSEOG and Perkins aid they can expect to receive;
- when they will receive it; and
- how it will be paid.

BEST COPY AVAILABLE

PRACTICE

Exercise 1 — Dividing Awards

Instructions

Please fill in the blanks by indicating the payment periods and the amounts for each payment period.

FSEOG	Payment Periods		Disbursement Amount/ Payment Period
Martha......$1,000 (fall and spring semesters)			$
Diego.......$1,000 (24-credit-hour program with a 24-credit-hour academic year)	hrs.	hrs.	$
	Year 1		
Susan......$1,500/year (1,600 clock-hour program, with each year at 900 clock hours)	hrs.	hrs.	$
	Year 2		
	hrs.	hrs.	$

PRACTICE (cont'd)

Exercise 2 — Disbursing FSEOG and Perkins Funds

Instructions

Read the first few paragraphs of the sections involving disbursement of Title IV funds on pages 3-62 and 3-66 of the Handbook; then fill in the blanks below:

1. Disburse FSEOG or Perkins Loan directly by check no earlier than ______________________________ before first day of a payment period or period of enrollment.

2. Disburse indirectly by crediting student's account at the school no earlier than ______________________ before first day of a payment period or period of enrollment.

Exercise 3 — Disbursing Campus-Based Awards

Instructions

Use the chart on pages 2 and 3 of this Workbook to answer the questions below.

1. Which portion of FWS can be credited to a student's school or bank account? (Check all that apply.)

   ☐ federal portion

   ☐ employer's (or nonfederal) share

2. If the FSEOG award is less than ______________________________, only one payment is required.

3. FWS students must be paid at least __________ per __________.

4. Before a student can receive Federal Perkins Loan funds, the student must sign a ______________________________.

5. Is a school permitted to disburse funds for a payment period if the student is not yet enrolled? Yes or No?

   ☐ Yes

   ☐ No

465

BACK AT THE OFFICE

Back at the office, you should:

- Coordinate and communicate with the business office to establish a disbursement timetable for campus-based awards.
- Develop or enhance a central student-information system that is updated regularly and is available to all school personnel.
- ______________________________
- ______________________________
- ______________________________

ANSWER KEY

Exercise 1 — Dividing awards

Instructions

Please fill in the blanks by indicating the payment periods and the amounts for each payment period.

FSEOG	Payment Periods		Disbursement Amount/ Payment Period
Martha.......$1,000 (fall and spring semesters)	**fall**	**spring**	**$500**
Diego........$1,000 (24-credit-hour program with a 24-credit-hour academic year)	**1-12 hrs.**	**13-24 hrs.**	**$500**
	Year 1		
Susan......$1,500/year (1,600 clock-hour program, with each year at 900 clock hours)	**1-450 hrs.**	**451-900 hrs.**	**$750**
	Year 2		
	901-1,250 hrs.	**1,251-1,600 hrs.**	**$750**

Exercise 2 — Disbursing FSEOG and Perkins Funds

1. Disburse FSEOG or Perkins directly by check no earlier than **10 calendar days** before first day of a payment period or period of enrollment.

2. Disburse indirectly by crediting student's account at the school no earlier than **10 calendar days** before first day of a payment period or period of enrollment.

Exercise 3 — Disbursing campus-based awards

Instructions

Use the chart on pages 3 and 4 of this Workbook to answer the questions below.

1. Which portion of FWS can be credited to a student's school or bank account? (Check all that apply.)

   ☐ federal portion

   ☑ employer's (or nonfederal) share

2. If the FSEOG award is less than **$501**, only one payment is required.

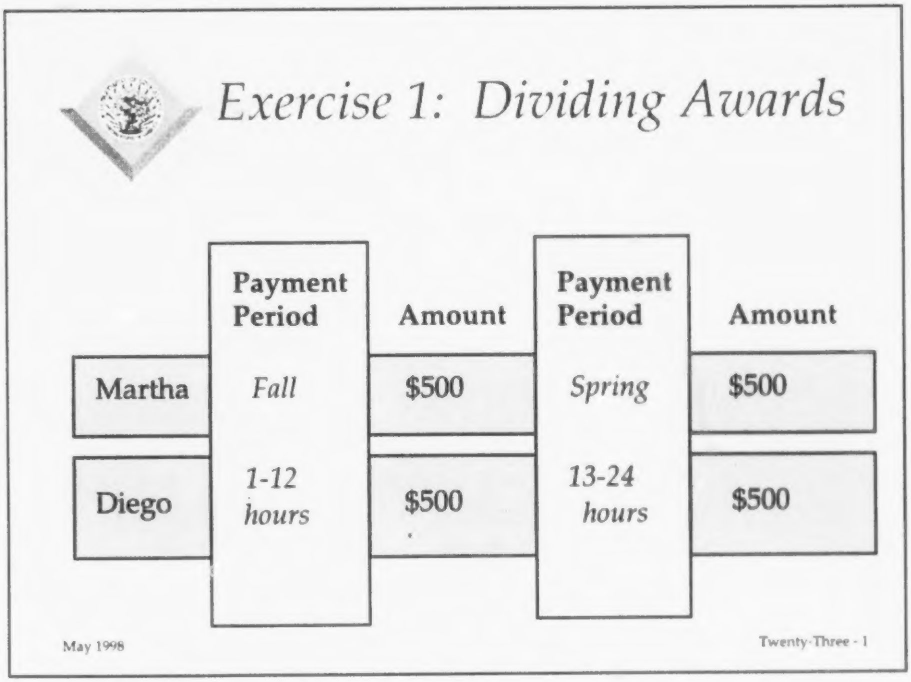
3. FWS students must be paid at least **the federal minimum wage** per **hour. (currently $5.15)**

4. Before a student can receive Federal Perkins Loan funds, the student must sign a **promissory note that is approved by the U.S. Secretary of Education**.

5. Is a school permitted to disburse funds for a payment period if the student is not yet enrolled? Yes or No?

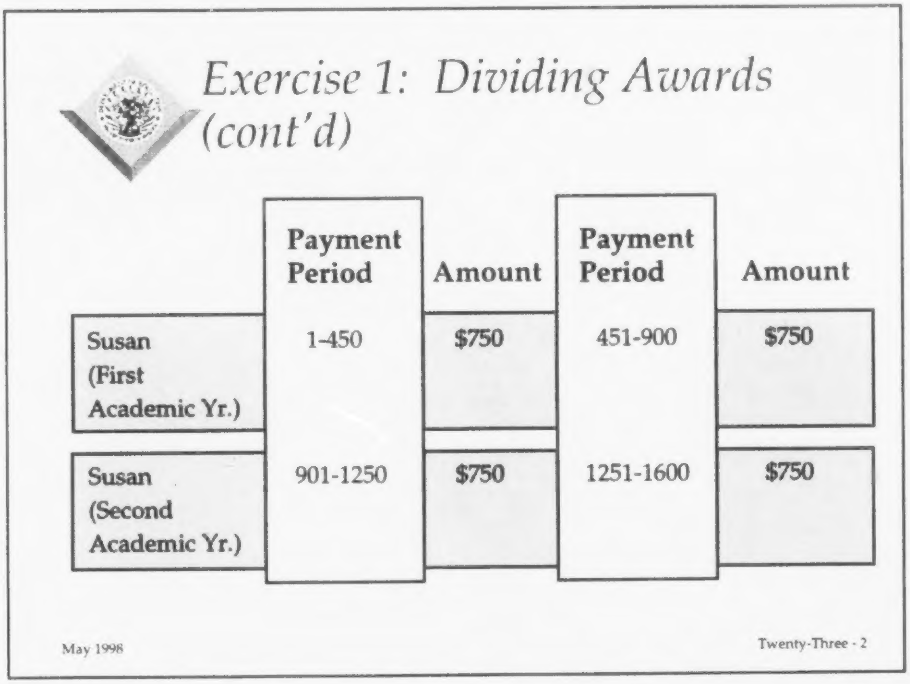
   ☐ Yes

   ☑ No



Exercise 1: Dividing Awards

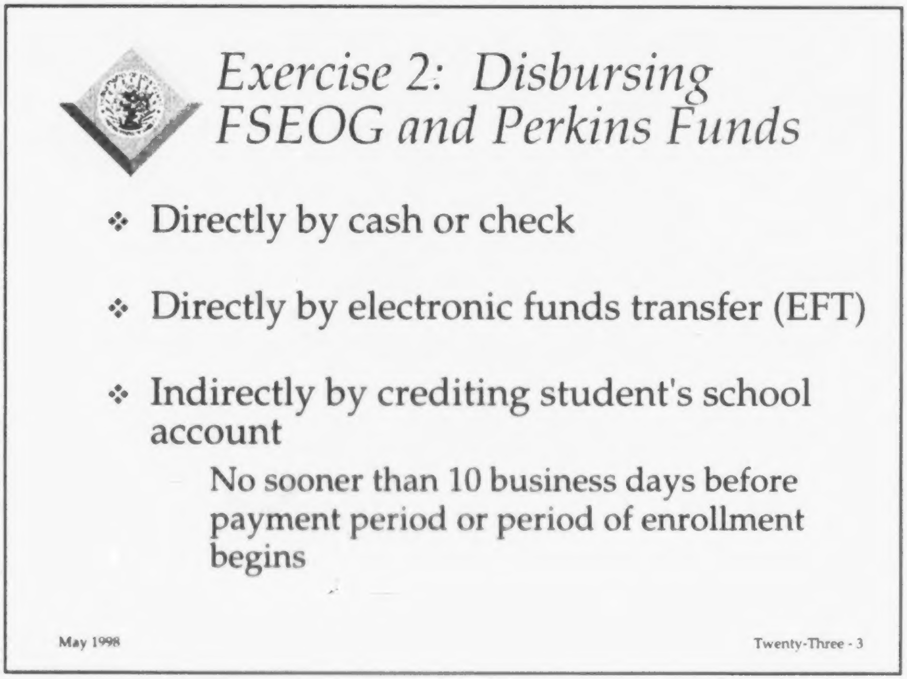
	Payment Period	Amount	Payment Period	Amount
Martha	*Fall*	$500	*Spring*	$500
Diego	*1-12 hours*	$500	*13-24 hours*	$500



Exercise 1: Dividing Awards (cont'd)

	Payment Period	Amount	Payment Period	Amount
Susan (First Academic Yr.)	1-450	$750	451-900	$750
Susan (Second Academic Yr.)	901-1250	$750	1251-1600	$750

BEST COPY AVAILABLE

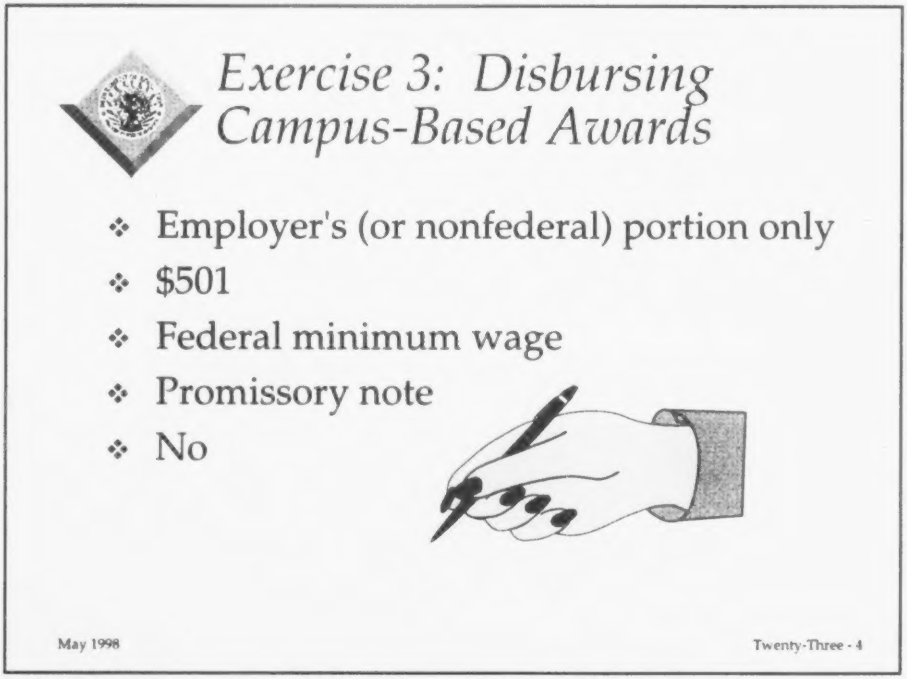


Exercise 2: Disbursing FSEOG and Perkins Funds

- Directly by cash or check
- Directly by electronic funds transfer (EFT)
- Indirectly by crediting student's school account
    - No sooner than 10 business days before payment period or period of enrollment begins

May 1998

Twenty-Three - 3



Exercise 3: Disbursing Campus-Based Awards

- Employer's (or nonfederal) portion only
- $501
- Federal minimum wage
- Promissory note
- No

May 1998

Twenty-Three - 4

Session 24 - Overview of the William D. Ford Direct Loan Program and the Federal Family Education Loan Program

By the end of this session, you will be able to:

- ***identify similarities and differences between the two loan programs,***
- ***calculate loan eligibility for subsidized, unsubsidized, and PLUS Loans, and***
- ***determine when loan proration is required.***

RESOURCES

The 1998-99 Federal Student Financial Aid Handbook, Chapters 10 and 11

SESSION CONTENTS

1. Need to Know

    - Chart — Loan Limits - Direct and FFEL
    - Chart — Loan Proration: Direct Loan and FFEL Programs
    - Chart — Direct Loan Program and FFEL Program Interest Rate Provisions
    - Chart — Grace Periods for Direct Loan Program and FFEL Program Loans

BEST COPY AVAILABLE

SESSION CONTENTS (cont'd)

- Chart — Cancellation and Loan Forgiveness
- Chart — Entrance/Exit Loan Counseling for Direct Loans and FFEL Program Loans

2. Practice
    - Case Study — Base, Additional, and PLUS loan Amounts
    - Proration Exercises
    - Review Quiz — True or False
3. Back at the Office
4. Answer Key

LOAN LIMITS:
DIRECT AND FFEL

BASE - SUBSIDIZED & UNSUBSIDIZED

STUDENT YEAR	ANNUAL	CUMULATIVE
1st-year undergrad.	$2,625	
2nd-year undergrad.	$3,500	
3rd, 4th, 5th-year undergrad.	$5,500	$23,000
graduate student	$8,500	$65,500 (includes undergrad. & graduate total)

ADDITIONAL - UNSUBSIDIZED ONLY

STUDENT YEAR	ANNUAL	CUMULATIVE
1st-year undergrad.	$4,000	
2nd-year undergrad.	$4,000	
3rd, 4th, 5th-year undergrad.	$5,000	$23,000 (Dependent) $46,000 (Independent)
graduate student	$10,000	$138,500 (includes undergrad. & graduate sub. and unsub. total)

LOAN PRORATION: DIRECT LOAN AND FFEL PROGRAMS

Program Length or Final Enrollment Period	Grade Level					
	First-Year Undergraduate		Second-Year Undergraduate		Third-Year, Fourth-Year, and Fifth-Year Undergraduate	
	Base Stafford (sub and unsub)	Additional Unsub Stafford	Base Stafford (sub and unsub)	Additional Unsub Stafford	Base Stafford (sub and unsub)	Additional Unsub Stafford
1 academic year	$2,625	$4,000	$3,500	$4,000	$5,500	$5,000
Less than 1 and greater than or equal to 2/3 academic year	$1,750	$2,500	Proportional Proration	$2,500	Proportional Proration	Proportional Proration
Less than 2/3 and greater than or equal to 1/3 academic year	$875	$1,500	Proportional Proration	$1,500	Proportional Proration	Proportional Proration
Less than 1/3 academic year	0	0	Proportional Proration	0	Proportional Proration	Proportional Proration

Calculation Notes:

- Pre-set loan amounts represent **fixed proration**. To prorate, take the lesser of the two fractions (see below), find the appropriate box in the first column that matches your fraction, and find the dollar amount that represents your new loan maximum in the appropriate grade level column.

Compare $\frac{\text{clock/credit hours in program}}{\text{clock/credit hours in the schools}}$ and $\frac{\text{\# of weeks in program}}{\text{\# of weeks in academic year}}$

academic year

- For proportional proration, simply multiply the regular maximum with the fraction below. You can ignore the first column altogether when doing proportional proration.

Use $\frac{\text{\# credit/clock hours left in the program}}{\text{\# credit/clock hours in schools academic year}}$

BEST COPY AVAILABLE

Direct Loan Program and FFEL Program Interest-Rate Provisions as of July 1, 1994

	Subsidized and Unsubsidized Loans	PLUS Loans
Interest Rate	Variable rate; maximum annual rate 8.25%	Variable rate; maximum annual rate 9%
Interest Rate Formula	***For loans first disbursed on or after 07/01/94 through 06/30/95:*** • Bond equivalent rate of 91-day Treasury bills auctioned at final auction prior to 06/01 plus 3.1% ***For loans first disbursed on or after 07/01/95 through 06/30/98:*** • **Prior to repayment,** bond equivalent rate of 91-day Treasury bills auctioned at final auction prior to 06/01 plus 2.5% • If borrower is **in repayment,** bond equivalent rate of 91-day Treasury bills auctioned at final auction prior to 06/01 plus 3.1%	***For loans first disbursed on or after 07/01/94 through 06/30/98:*** • Bond equivalent rate of 52-week Treasury bills auctioned at final auction prior to 06/01 plus 3.1%

Grace Periods for Direct Loan Program and FFEL Program

Federal (Subsidized) Stafford Loan and Direct Subsidized Loan[1]	Federal Unsubsidized Loan[2] and Direct Unsubsidized Loan	Federal PLUS Loan and SLS[3] and Direct PLUS Loan
6 months for all loans for periods of enrollment 01/01/81 and after. 9-12 months for all loans for periods of enrollment before 01/01/81.	6 months on repaying principal. Interest may be paid or accrued and capitalized during in-school and grace periods.[4]	None. The repayment period begins on the date the loan is fully disbursed. Interest begins to accrue on the date of the loan's first disbursement. For Federal SLS borrowers and new borrowers of Federal PLUS Loans on or after 07/01/93, repayment may be deferred while the students for whom the funds are borrowed are enrolled at least half time. Interest may be capitalized.

---

[1] **If the grace period has not already been used, the loan's grace period begins on the date the student ceases to be enrolled at least half time.**

[2] **Also applied to Federal SLS loans, which were discontinued 07/01/94.**

[3] **Combined Federal SLS/federal sub/unsub borrowers have the option to defer Federal SLS repayment for up to 6 months after at least half-time enrollment ceases. This provision applies only when the borrower's loans have not entered repayment.**

[4] **Paying accrued interest is postponed by adding it to the loan principal as the interest comes due. (This is called "capitalization.")**

BEST COPY AVAILABLE

Cancellation and Loan Forgiveness

Borrower	Direct and FFEL Loans
Loan Cancellation	• death of borrower • death of student on whose behalf a parent borrowed a PLUS Loan • permanent and total disability of borrower • discharge of loan in bankruptcy
Loan Forgiveness	• students unable to complete their programs of study because their schools closed[1] • students whose schools falsely certified their loans

[1] These students are only eligible for forgiveness if their schools do not provide them with an alternate way to complete their program. This may include attendance at another nearby school that has an agreement in place with the closing school.

473

Entrance/Exit Loan Counseling For Direct Loans and FFEL Programs Loans

HOW to cover:

ENTRANCE COUNSELING

- ◊ In-person presentation or by videotape or by computer-assisted technology. Individual with Title IV expertise must be available to answer borrower questions
- ◊ Written counseling materials permissible for students enrolled in correspondence study or study-abroad programs

OR

- ◊ "Alternative Entrance Counseling Approach" for Direct Loan borrowers only:
  - Written counseling material provided to first-time Direct Loan borrowers
  - Counseling efforts targeted to certain groups of borrowers
  - Entrance-counseling plan must be part of school's quality assurance plan

EXIT COUNSELING

- ◊ In-person presentation
- ◊ Written counseling materials:
  - Mandatory for students who have withdrawn without notifying the school or have failed to attend scheduled exit counseling
  - Permissible for students enrolled in correspondence study or study-abroad program

WHEN to cover:

ENTRANCE COUNSELING

- ◊ Prior to delivery of the first disbursement of the first Stafford loan that a borrower will receive at your school

EXIT COUNSELING

- ◊ Shortly before any borrower ceases at least half-time enrollment or (by mail) within 30 days:
  - After learning that the student has withdrawn without notifying the school
  - After the student has failed to attend scheduled exit counseling
  - After student completed correspondence program or study-abroad program

WHAT to cover:

REQUIRED CORE ITEMS

ENTRANCE COUNSELING

- ◊ Emphasize seriousness and importance of repayment
- ◊ Emphasize consequences of default, including adverse credit reports, garnishment of wages, and litigation
- ◊ Emphasize obligation to repay full amount of loan, regardless of borrower's ability to gain employment after leaving school or dissatisfaction with the program
- ◊ For Direct Loan, provide data on average indebtedness and average monthly repayment of students who obtained loans at that school or in borrower's program of study

EXIT COUNSELING

- ◊ Provide the name and address of the borrower's lender(s)
- ◊ Inform student of average monthly repayment amount based on student's indebtedness
- ◊ Review available repayment options & obligations
- ◊ Provide borrower with debt-management strategies that would facilitate repayment
- ◊ Explain how to contact the party servicing the student's
- ◊ Emphasize seriousness and importance of repayment
- ◊ Emphasize consequences of default, including adverse credit reports, garnishment of wages, and litigation
- ◊ Review deferment, forbearance, and cancellation conditions
- ◊ Require borrower to provide corrections to school's records concerning name, address, Social Security number, references, driver's license number with state where it was issued, and name and address of expected employer

PRACTICE

Case Study — Base, Additional, and PLUS Loan Amounts

Student:	Tonya (2nd-year student; dependent)
Cost of Attendance:	$5,530
Expected Family Contribution:	$1,750
Pell Grant:	$1,250

Base Amount — Subsidized

  _______ COA
- _______ EFC
- _______ EFA
= _______ Base subsidized loan amount

Base Amount — Unsubsidized

  _______ COA
- _______ EFA (including subsidized amount)
= _______ Initial base unsubsidized amount
  _______ Base unsubsidized loan amount (loan limit minus subsidized base amount)

PRACTICE (cont'd)

Case Study — Base, Additional, and PLUS Loan Amounts (cont'd)

Additional Amount — Unsubsidized

________ COA

- ________ EFA (including base amount)

= ________ Additional unsubsidized loan amount

PLUS Loan Amount (If Tonya's parents were eligible for a PLUS Loan, and they didn't want her to take out any loans)

________ COA

- ________ EFA

= ________ PLUS Loan Amount

PRACTICE (cont'd)

Proration Exercises

Exercise 1: Michael is enrolled in a computer training program that is 600 clock hours and 15 weeks long. The academic year is 900 clock hours and 30 weeks.

Is proration required here for Michael? Why or why not?

Exercise 2: Charlene is beginning her second year. Her school's academic year contains two semesters. Each semester is 15 weeks long. Because of summer enrollment, she only has 18 credits left to take, which she will take during the fall semester to complete her program in December.

Is proration required for Charlene? Why or why not?

Exercise 3: Charlene's plans change, and she will take 6 credits in the fall semester and 12 credits in the spring semester, graduating in May.

Is proration still required for Charlene? Why or why not?

PRACTICE (cont'd)

Review Quiz - True Or False

1. An undergraduate student's loan must be prorated if her final period of study is one academic year or greater in length. ____
2. ED will cover the interest during any period of deferment or forbearance for a subsidized loan. ____
3. For the unsubsidized portion of a student's base amount, EFC is not considered. ____
4. To compensate for interest fees, a borrower's Direct Loan will actually be set at 4% higher than the amount for which the borrower is eligible. ____
5. Both Direct Loans and FFELs require an additional application besides the FAFSA. ____
6. PLUS loans can only be calculated after the student's base amount has been determined. ____
7. All independent students are eligible for the additional unsubsidized loan amount as long as their COA has not been met. ____
8. The Direct Loan grace period is a few months longer than the FFEL grace period. ____
9. Both base and additional loan amounts may consist of a combination of subsidized and unsubsidized loans. ____

BACK AT THE OFFICE

Back at the office, you should:

- ____
- ____
- ____

ANSWER KEY

Case Study — Base, Additional, and PLUS Loan Amounts

Student:	Tonya (2nd-year student; dependent)
Cost of Attendance:	$5,530
Expected Family Contribution:	$1,750
Pell Grant:	$1,250

Base Amount — Subsidized

	$5,530	COA
-	$1,750	EFC
-	$1,250	EFA
=	$2,530	Base subsidized loan amount

Base Amount — Unsubsidized

	$5,530	COA
-	$3,780	EFA (including subsidized amount)
=	$1,750	Initial base unsubsidized amount
	$ 970	Base unsubsidized loan amount (loan limit minus subsidized base amount)

ANSWER KEY (CONT'D)

Case Study — Base, Additional, and PLUS Loan Amounts (cont'd)

Additional Amount — Unsubsidized

	$5,530	COA
-	$4,750	EFA (including base amount)
=	$ 780	Additional unsubsidized loan amount

PLUS Loan Amount (If Tonya's parents were eligible for a PLUS Loan, and they didn't want her to take out any loans)

	$5,530	COA
-	$1,250	EFA
=	$4,280	PLUS Loan Amount

ANSWER KEY (cont'd)

Proration Exercises

Exercise 1: Michael is enrolled in a computer training program that is 600 clock hours and 15 weeks long. The academic year is 900 clock hours and 30 weeks.

Is proration required here for Michael? Why or why not?

Yes. His program is less then one academic year in length.

Exercise 2: Charlene is beginning her second year. Her school's academic year contains two semesters. Each semester is 15 weeks long. Because of summer enrollment, she only has 18 credits left to take, which she will take during the fall semester to complete her program in December.

Is proration required for Charlene? Why or why not?

Yes. Her final period of enrollment is only one term, which is shorter than her school's two-term academic year.

Exercise 3: Charlene's plans change, and she will take 6 credits in the fall semester and 12 credits in the spring semester, graduating in May.

Is proration still required for Charlene? Why or why not?

No, because her final period of enrollment is a full academic year; she is attending both semesters in the school's academic year.

ANSWER KEY (cont'd)

Review Quiz — True or False

Directions: Place a "T" or "F" after each statement.

1. An undergraduate student's loan must be prorated if her final period of study is one academic year or greater in length. **F**
2. ED will cover the interest during any period of deferment or forbearance for a subsidized loan. **F**
3. For the unsubsidized portion of a student's base amount, EFC is not considered. **T**
4. To compensate for interest fees, a borrower's Direct Loan will actually be set at 4% higher than the amount for which the borrower is eligible. **F**
5. Both Direct Loans and FFELs require an additional application besides the FAFSA. **F**
6. PLUS loans can only be calculated after the student's base amount has been determined. **F**
7. All independent students are eligible for the additional unsubsidized loan amount as long as their COA has not been met. **T**
8. The Direct Loan grace period is a few months longer than the FFEL grace period. **F**
9. Both base and additional loan amounts may consist of a combination of subsidized and unsubsidized loans. **F**

APPENDIX
LOAN PRORATION

The Proration Chart

Look at the first column of the chart. You will use this column when dealing with first-year students and some second-year students.

Looking again at Michael's situation, he is attending a program of 600 clock hours and 15 weeks. You already know that proration is required. Now you must determine what fraction of an academic year his program is.

To determine the fraction, you take the lesser of:

$$\frac{\text{Clock/credit hours in program}}{\text{Clock/credit hours in the school's academic year}}$$

OR

$$\frac{\text{Weeks in the program}}{\text{Weeks in an academic year}}$$

For Michael, compare:

$$\frac{600}{900}\left(\frac{2}{3}\right) \quad \text{to} \quad \frac{15}{30}\left(\frac{1}{2}\right)$$

Since 1/2 is less than 2/3, 1/2 is used.

Back on the chart, find 1/2 in the first column. Notice that it falls under the third choice, which is less than 2/3 but greater than 1/3 of an academic year.

Now, you can easily determine Michael's base and additional loan amounts by looking at the second column, which is for first-year students.

Q: What are Michael's base amount and additional amount?

A: $875 and $1,500

Moving on to Charlene's situation, you know that if she completes her program by December, her final period of enrollment will be less than one award year, and proration will be needed. Because she is a second-year student, you will use the third column of the chart.

To determine her base loan amount, you will have to calculate what is labeled as "Proportional Proration."

- For this calculation, the first column will not be used.

Her additional loan amount can be calculated the same way Michael's loan amount was calculated.

$$\frac{18 \text{ credits}}{24 \text{ credits}} \quad \text{or} \quad \frac{15 \text{ weeks}}{30 \text{ weeks}}$$

Use 1/2, so additional = $1,500

- Now, back to Base Amount.
  - For Proportional Proration, you take the fraction of the year to be completed using clock or credit hours and multiply it by the regular loan limit.

Q: **For Charlene, what is the fraction?**

A: $$\mathbf{\frac{18 \text{ credits}}{24 \text{ credits}} = 3/4}$$

Then take 2/3 x $3,500, which is $2,625.

Q: **Assume Charlene is a third-year student with only 8 credits to go, which she will complete during the fall semester. What would both her base and additional amounts be?**

A: **Base = $1,833**

Additional = $1,667

There are worksheets following this section that take you through proration one step at a time. Feel free to duplicate and use these in your financial aid office.

The attached case studies contain practice of both fixed and proportional proration.

CASE STUDIES

PRORATED LOAN LIMITS

For each of the following case studies, assume that the student demonstrates need for the maximum loan amount for which he or she is eligible.

Case Study 1

Anne is a dependent student enrolled in a 750-clock-hour program that is scheduled to take 15 weeks to complete. The academic year at her school is defined as 900 clock hours and 30 weeks of instructional time. What is the maximum base subsidized/unsubsidized loan amount for which she is eligible?

Case Study 2

Bill is an independent student who is about to enroll in the final year of a 4-year bachelor's degree program. His school operates on a quarter system, and the academic year for his program consists of 36 quarter hours and three 10-week quarters (fall, winter, and spring).

Bill needs 12 hours to complete the requirements of his program. He could complete all 12 hours in the fall quarter, or enroll half-time in both fall and winter. He may also decide to take some additional electives and enroll at least half-time for the full academic year.

What is the maximum amount that Bill may borrow if he completes his program:
- ✦ At the end of the fall quarter?
- ✦ At the end of the winter quarter?
- ✦ At the end of the spring quarter?

Case Study 3

Carl is an independent student enrolled in a 1350-clock-hour program which is scheduled to take 45 weeks to complete. The academic year for this program is defined as 900 clock hours and 30 weeks of instructional time; students are considered second-year undergraduates after completing 900 hours and 30 weeks.

Carl has completed the first 900 hours and 30 weeks of his program, and has applied for a loan to cover the costs of the remaining 450 hours and 15 weeks. What is the maximum amount of money he may borrow for this period?

PRORATION WORKSHEET #1

FIRST-YEAR UNDERGRADUATES IN PROGRAMS SHORTER THAN ONE ACADEMIC YEAR

STEP 1

Does the program include fewer than:		yes	no
	(a) 30 weeks of instructional time?	☐	☐
	(b) 24 semester hours	☐	☐
	(c) 36 quarter hours	☐	☐
	(d) 900 clock hours	☐	☐

If the answer to (a), (b), (c), or (d) is "yes," proration is required. Go to STEP 2.

STEP 2

Create fractions "A" and "B."

FRACTION A

Enter the number of credit or clock hours needed for the student to complete the program:

Enter the number of credit or clock hours in your school's academic year:

FRACTION B

Enter the number of weeks of instructional time in the program:

30

STEP 3

Enter the SMALLER of the two fractions from STEP 2:

If the fraction is:	The base subsidized/unsubsidized prorated loan limit is:	The additional unsubsidized prorated loan limit is:
Less than 1 but greater than or equal to 2/3	$1,750	$2,500
Less than 2/3 but greater than or equal to 1/3	$875	$1,500
Less than 1/3	$0	$0

PRORATION WORKSHEET #2

SECOND-YEAR UNDERGRADUATES IN PROGRAMS WITH LESS THAN ONE ACADEMIC YEAR REMAINING

STEP 1

TERM-BASED PROGRAM

Enter the number of terms in your school's academic year: (a)

Enter the number of terms in which the student will complete the remaining portion of the program: (b)

If the number on line (b) is less than the number on line (a), a proration is required. Go to STEP 2.

NON-TERM PROGRAM

Enter the number of hours in your school's academic year: (a)

Enter the remaining number of hours required for the student to complete the program: (b)

If the number on line (b) is less than the number on line (a), proration is required. Go to STEP 2.

STEP 2

BASE SUBSIDIZED/UNSUBSIDIZED

Enter the number of credit or clock hours in the remaining portion of the program:				Enter the number of credit or clock hours in your school's academic year:		Prorated base subsidized/unsubsidized loan limit:
	x	$3,500	÷		=	$

ADDITIONAL UNSUBSIDIZED

(1) Create fractions "A" and "B."

FRACTION A

Enter the number of credit or clock hours needed for the student to complete the program: ____

Enter the number of credit or clock hours in your school's academic year: ____

FRACTION B

Enter the number of weeks of instructional time in the program: ____ / 30

(2) Enter the SMALLER of the two fractions: ____

If the fraction is:	The additional unsubsidized prorated loan limit is:
Less than 1 but greater than or equal to 2/3	$3,500
Less than 2/3 but greater than or equal to 1/3	**$1,500**
Less than 1/3	$0

PRORATION WORKSHEET #3

THIRD, FOURTH AND FIFTH-YEAR UNDERGRADUATES IN PROGRAMS WITH LESS THAN ONE ACADEMIC YEAR REMAINING

STEP 1

TERM-BASED PROGRAM

Enter the number of terms in your school's academic year: (a) ☐
Enter the number of terms in which the student will complete the remaining portion of the program: (b) ☐
If the number on line (b) is less than the number on line (a), a proration is required. Go to STEP 2.

NON-TERM PROGRAM

Enter the number of hours in your school's academic year: (a) ☐
Enter the remaining number of hours required for the student to complete the program: (b) ☐
If the number on line (b) is less than the number on line (a), proration is required. Go to STEP 2.

STEP 2

BASE SUBSIDIZED/UNSUBSIDIZED

Enter the number of credit or clock hours in the remaining portion of the program:				Enter the number of credit or clock hours in your school's academic year:		Prorated base subsidized/unsubsidized loan limit:
☐	x	$5,500	÷	☐	=	$

ADDITIONAL UNSUBSIDIZED

Enter the number of credit or clock hours in the remaining portion of the program:				Enter the number of credit or clock hours in your school's academic year:		Prorated additional unsubsidized loan limit:
☐	x	$5,000	÷	☐	=	$

CASE STUDY SOLUTIONS

PRORATED LOAN LIMITS

Solution 1

- ✦ Because Anne is enrolled in a program that is shorter than the statutory minimum academic year, her loan must be prorated.
- ✦ First, create two fractions, one based on hours, and the other on weeks:

(A) $$\frac{\text{750 clock hours in the program}}{\text{900 clock hours in the school's AY}}$$

(B) $$\frac{\text{15 weeks in the program}}{\text{30 weeks in the statutory definition of an AY}}$$

- ✦ Reduce the fractions and compare to find the smaller:

750/900 = 5/6 15/30 = 1/2

- ✦ Using the smaller fraction (1/2), refer to the "Loan Proration" chart to find the appropriate proportional program length.
- ✦ Anne's program is less than 2/3, but greater than or equal to 1/3 of an academic year. She is eligible to borrow $875 in base subsidized/unsubsidized loans.

Solution

- Bill's loan will have to be prorated ONLY if he completes his program at the end of the fall quarter or at the end of the winter quarter. In either case, his final period of study (fall or fall/winter) is shorter than the school's 3-quarter length scheduled academic year.

- The proportional proration required in this situation is based on the number of hours remaining in the program. Therefore, assuming that Bill enrolls for a total of 12 hours in either one final or in two terms, his prorated loan amount will be the same whether he completes his program at the end of the fall quarter, or the end of the winter quarter.

- Create a fraction as follows:

$$\frac{\text{12 credit hours in the remaining portion of the program.}}{\text{36 credit hours in the school's academic year}}$$

- To determine the base prorated loan limit, multiply this fraction by $5,500 (the base annual loan limit for a fifth-year undergraduate):

  12/36 x $5,500 = $1,833 (or: 12 x $5,500 ÷ $1,833)

- To determine the additional unsubsidized loan limit, multiply the fraction by $5,000 (the additional unsubsidized loan limit for a fifth-year undergraduate):

  12/36 x $5,000 = $1,667 (or: 12 x $5,000 ÷ 36 = $1,667)

- If Bill completes his program at the end of the fall quarter or at the end of the winter quarter, he can borrow $1,833 in base subsidized/unsubsidized loans, and an additional unsubsidized amount of $1,667.

- If Bill decides to enroll for the full academic year, he can borrow the maximum annual loan limits for a fifth-year undergraduate.

Solution 3

- Proration is required because Carl will be enrolled in a final period of study that is shorter than an academic year.

- Create a fraction as follows:

$$\frac{\text{450 clock hours in the remaining portion of the program}}{\text{900 clock hours in the school's academic year}}$$

- To determine the prorated base subsidized/unsubsidized loan limit, multiply this fraction by $3,500 (the base annual loan limit for a second-year undergraduate):

  450/900 x $3,500 = $1,750 (or: 450 x $3,500 ÷ 900 = $1,750)

- Carl may borrow a base subsidized/unsubsidized amount of $1,750.

- Carl's additional unsubsidized loan limit is determined by fixed proration.

- Use the following fractions to determine the length of the remaining portion of his program:

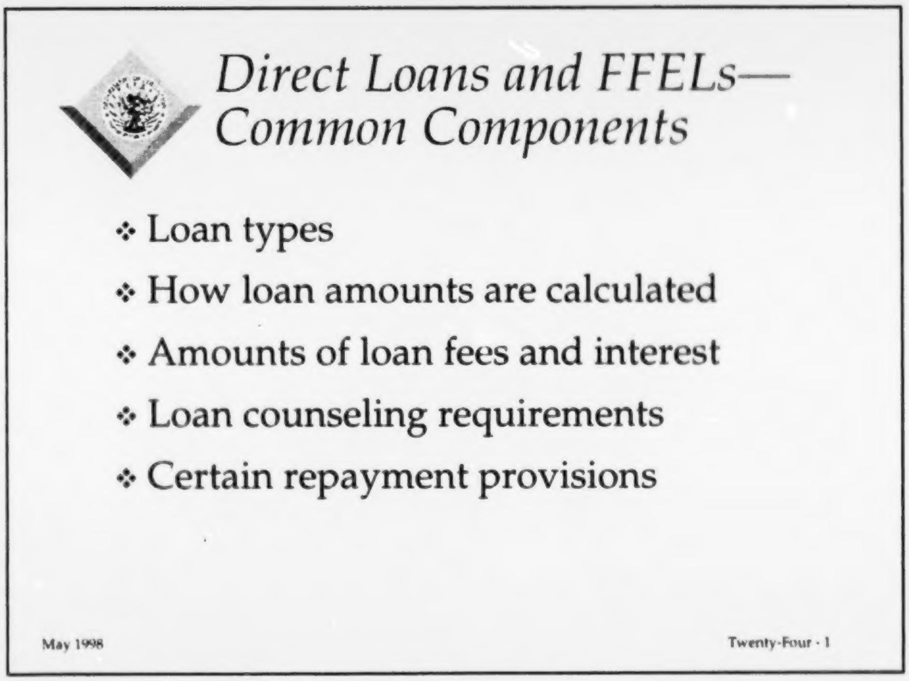
(A) $$\frac{\text{450 clock hours in the remaining portion of the program}}{\text{900 clock hours in the school's academic year}}$$

(B) $$\frac{\text{15 weeks remaining in the program}}{\text{30 weeks in the statutory definition of an academic year}}$$

- Reduce the fractions and compare to find the lesser:

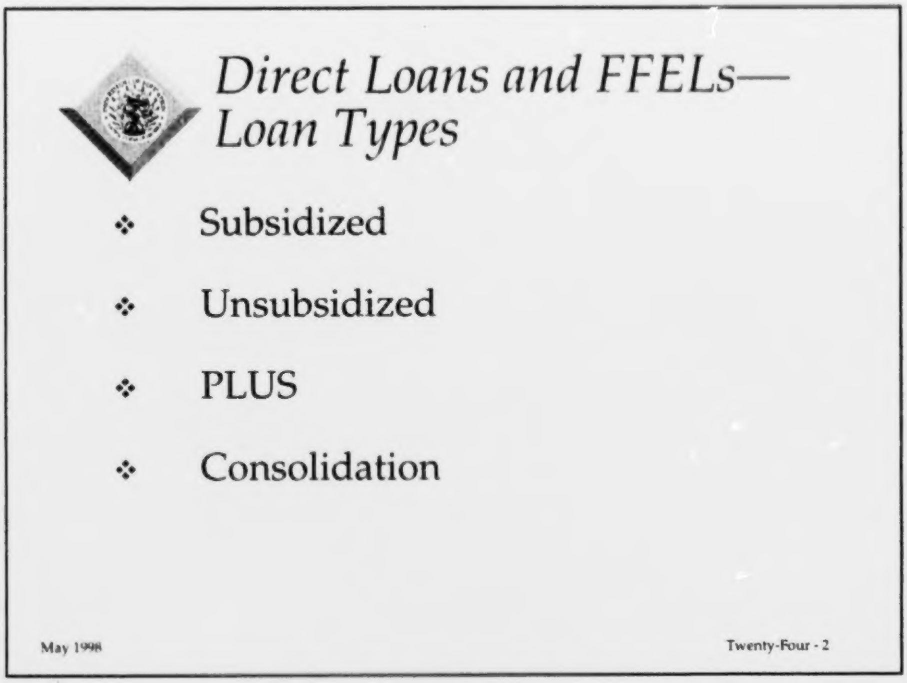
  450/900 = 1/2 15/30 = 1/2

- In this example, the fractions are equal. Since the remaining portion of Carl's program is less than 2/3 but greater than or equal to 1/3 of an academic year, he is eligible to borrow an additional unsubsidized amount of $1,500.



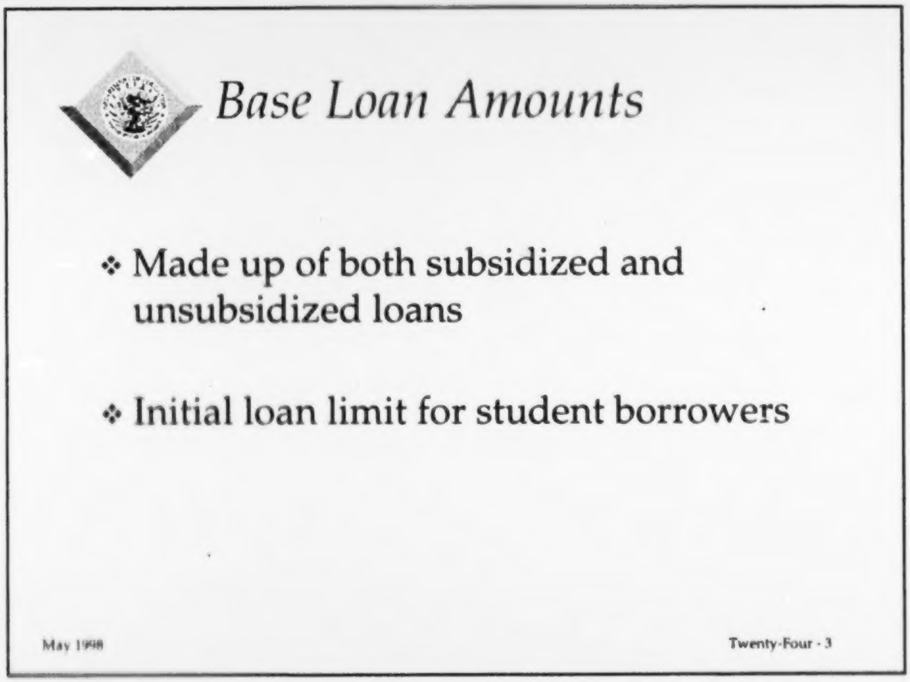
Direct Loans and FFELs—Common Components

- Loan types
- How loan amounts are calculated
- Amounts of loan fees and interest
- Loan counseling requirements
- Certain repayment provisions



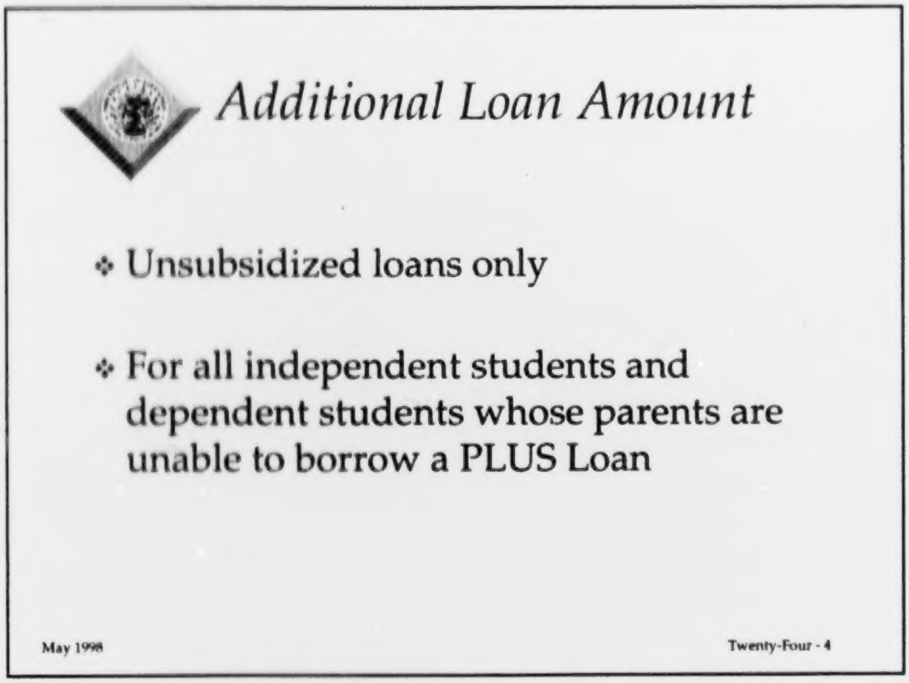
Direct Loans and FFELs—Loan Types

- Subsidized
- Unsubsidized
- PLUS
- Consolidation



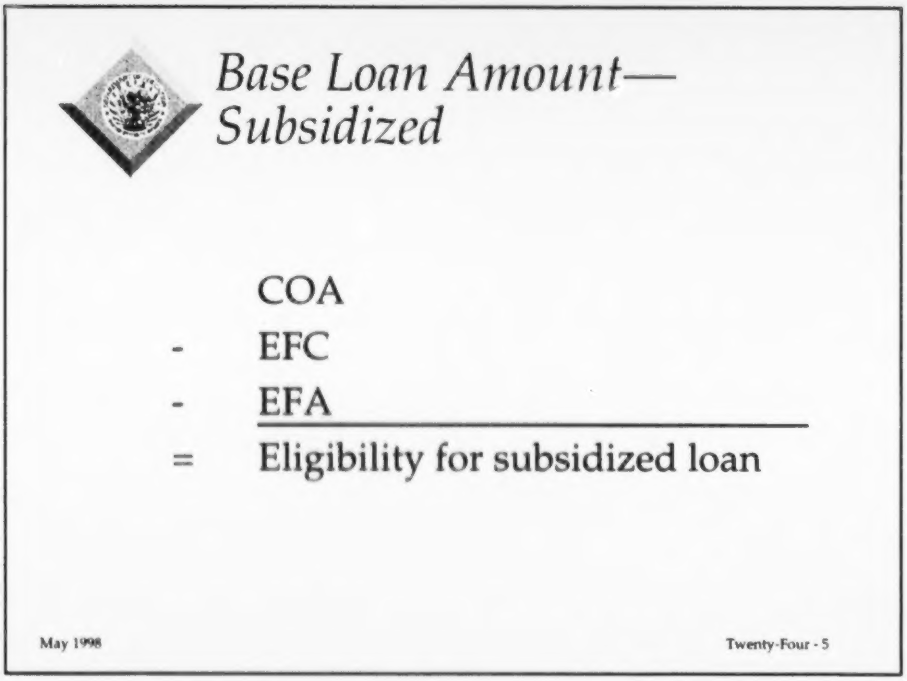
Base Loan Amounts

- Made up of both subsidized and unsubsidized loans
- Initial loan limit for student borrowers



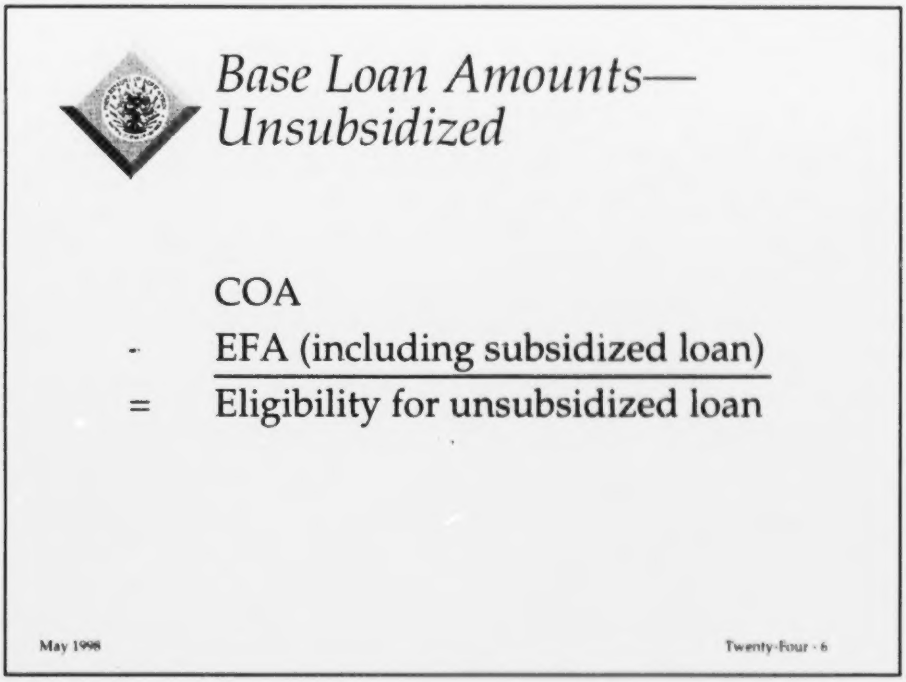
Additional Loan Amount

- Unsubsidized loans only
- For all independent students and dependent students whose parents are unable to borrow a PLUS Loan



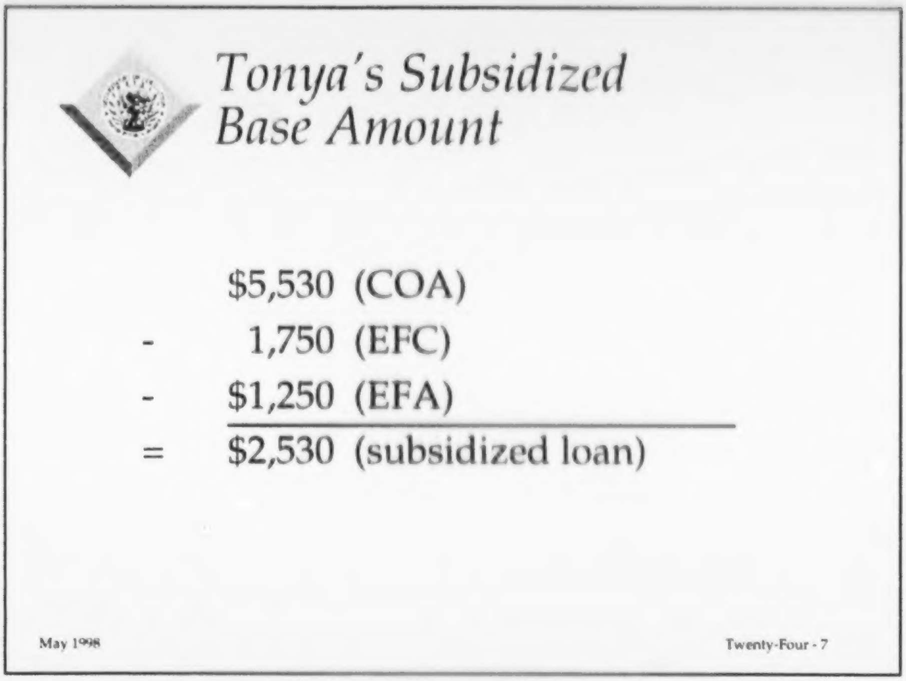
Base Loan Amount— Subsidized

COA
- EFC
- EFA
= Eligibility for subsidized loan



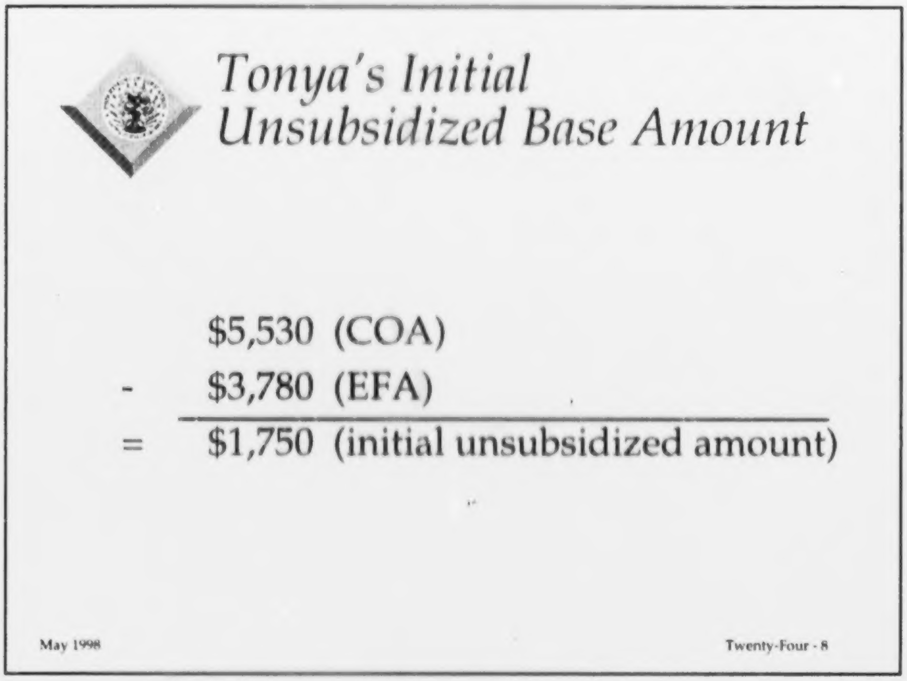
Base Loan Amounts— Unsubsidized

COA
- EFA (including subsidized loan)
= Eligibility for unsubsidized loan



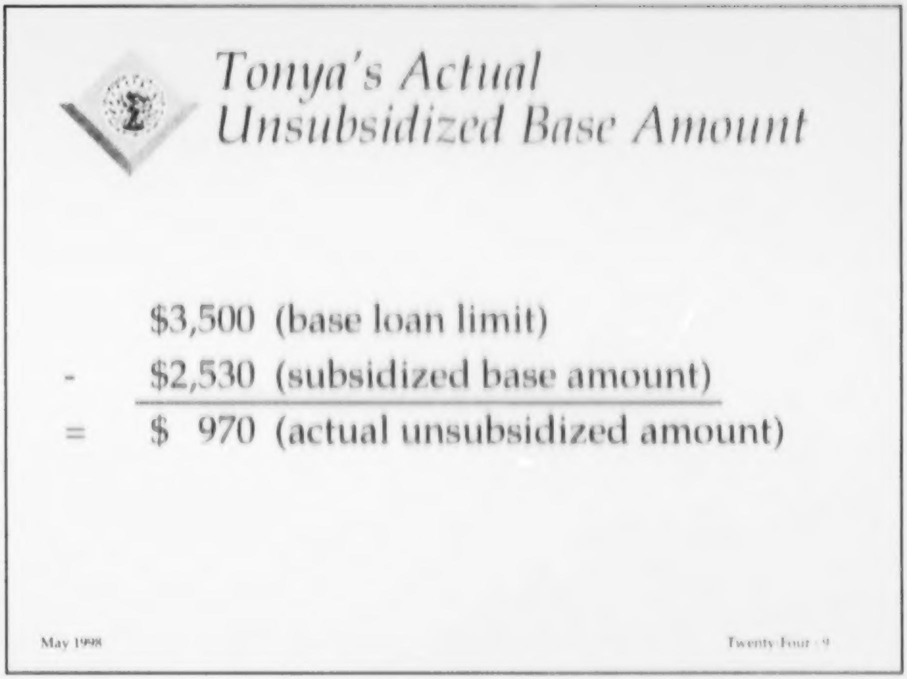
Tonya's Subsidized Base Amount

$5,530 (COA)
- 1,750 (EFC)
- $1,250 (EFA)
= $2,530 (subsidized loan)



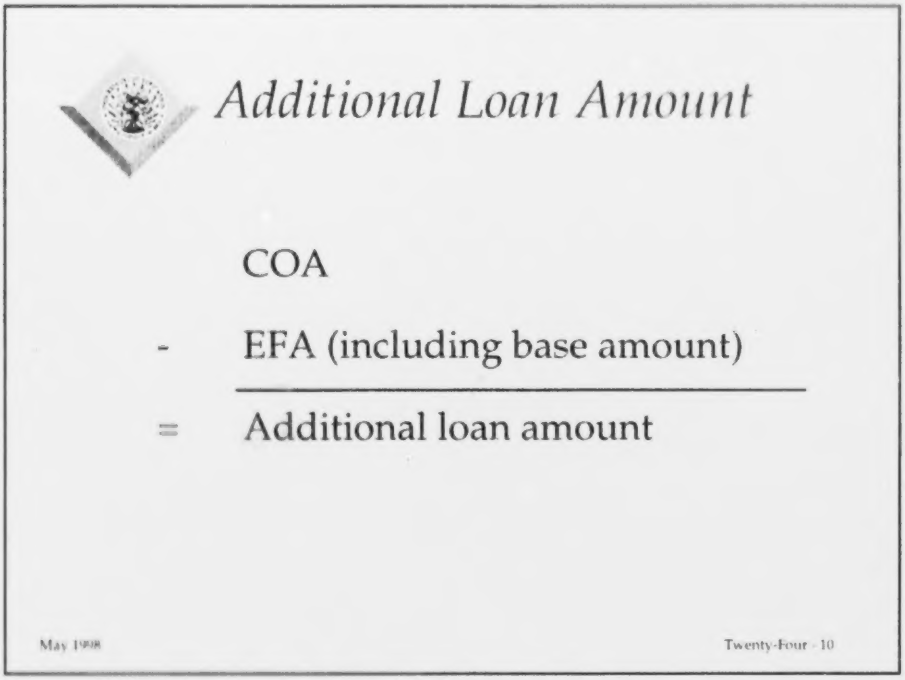
Tonya's Initial Unsubsidized Base Amount

$5,530 (COA)
- $3,780 (EFA)
= $1,750 (initial unsubsidized amount)



Tonya's Actual Unsubsidized Base Amount

	$3,500 (base loan limit)
-	$2,530 (subsidized base amount)
=	$ 970 (actual unsubsidized amount)

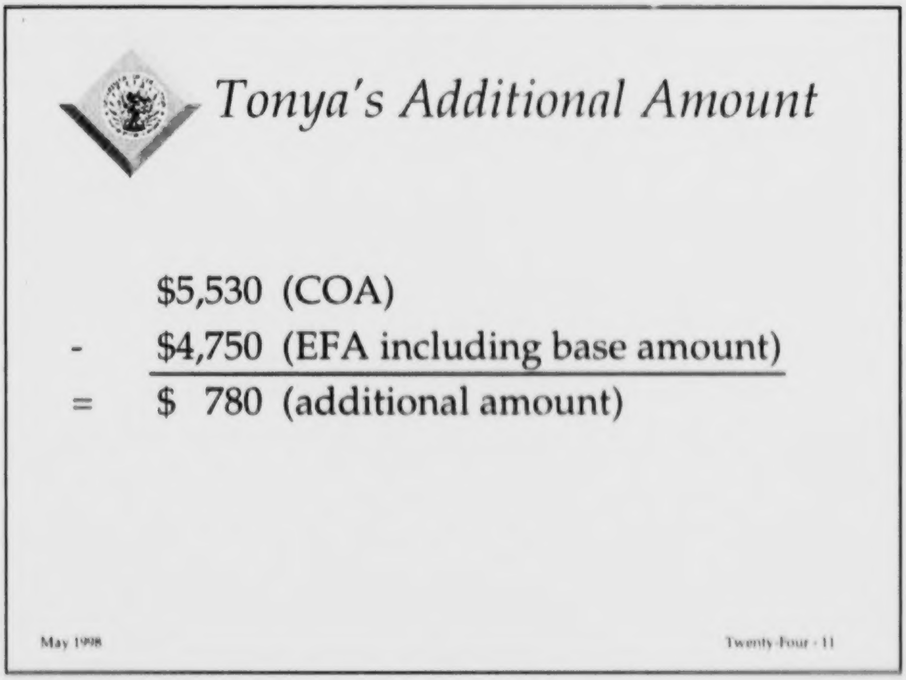


Additional Loan Amount

COA

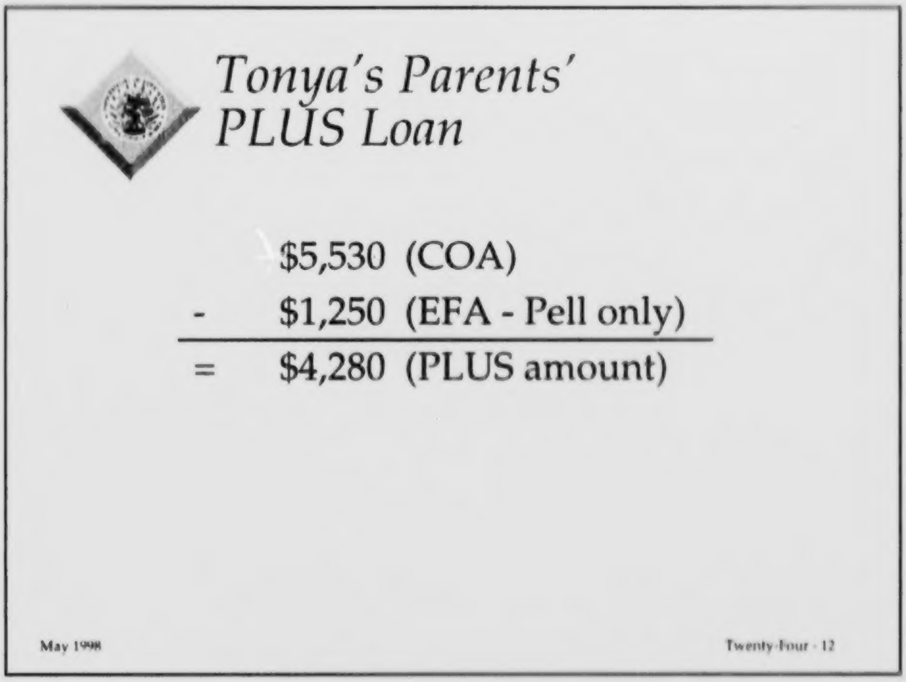
- EFA (including base amount)

= Additional loan amount



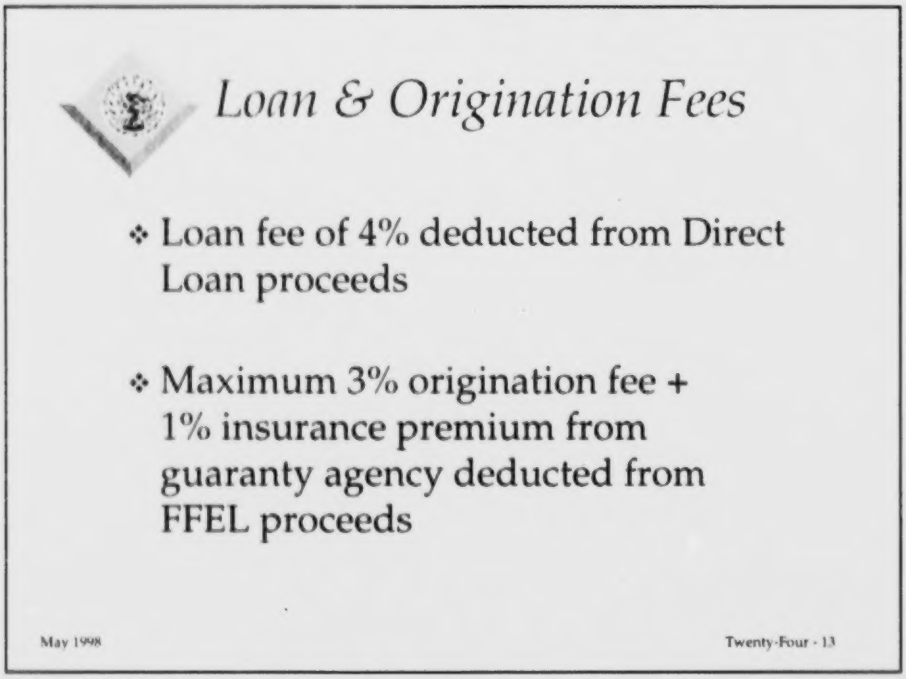
Tonya's Additional Amount

$5,530 (COA)
- $4,750 (EFA including base amount)
= $ 780 (additional amount)



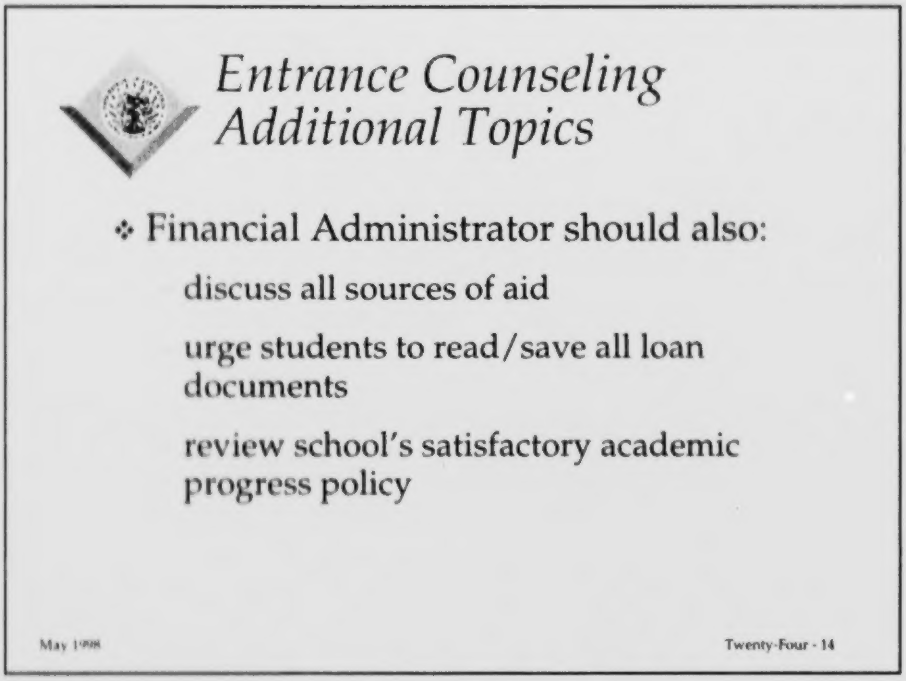
Tonya's Parents' PLUS Loan

$5,530 (COA)
- $1,250 (EFA - Pell only)
= $4,280 (PLUS amount)



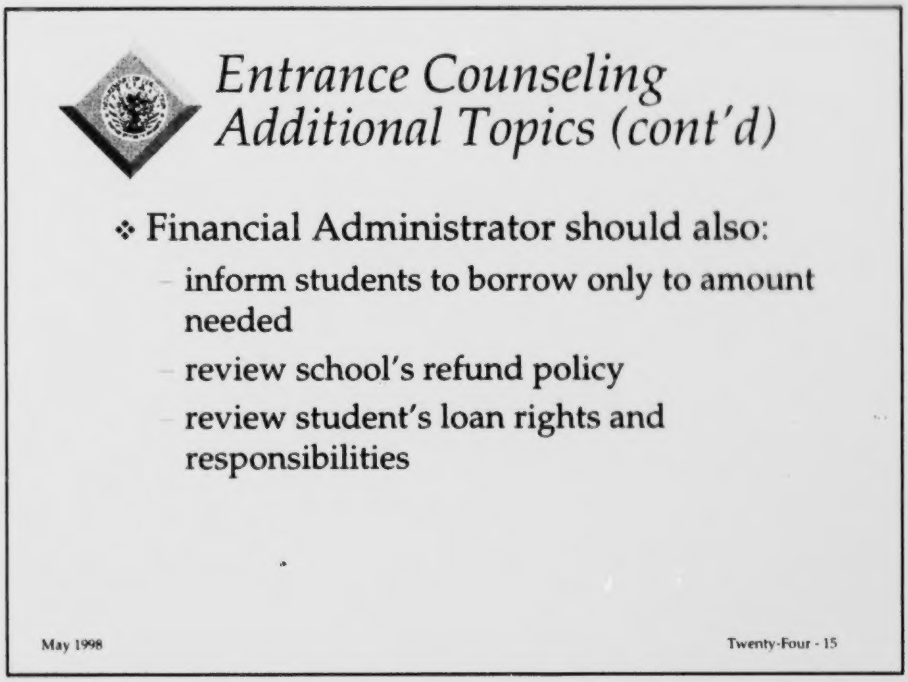
Loan & Origination Fees

- Loan fee of 4% deducted from Direct Loan proceeds
- Maximum 3% origination fee + 1% insurance premium from guaranty agency deducted from FFEL proceeds



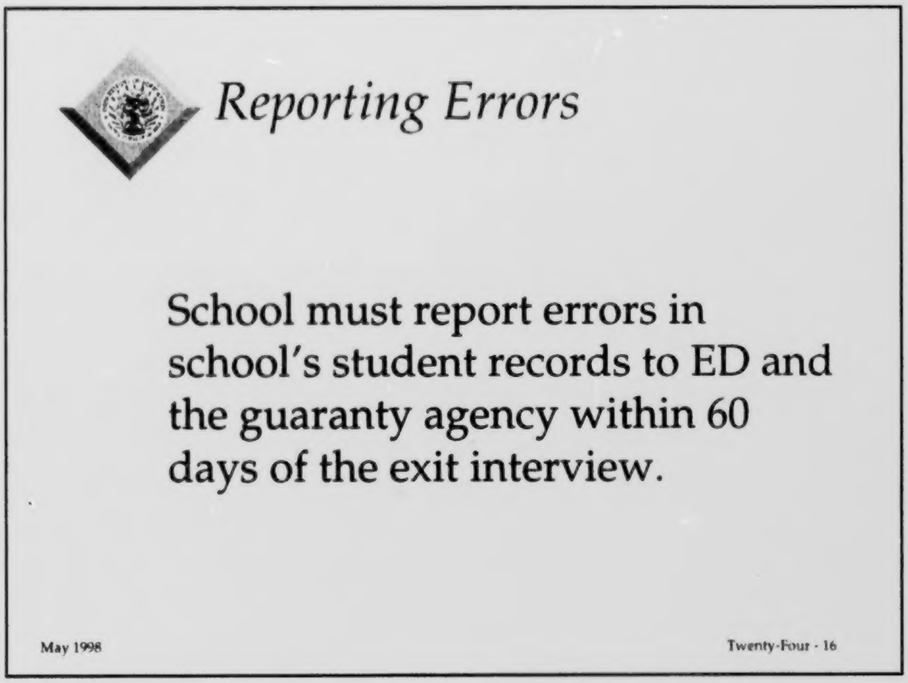
Entrance Counseling Additional Topics

- Financial Administrator should also:
  - discuss all sources of aid
  - urge students to read/save all loan documents
  - review school's satisfactory academic progress policy



Entrance Counseling Additional Topics (cont'd)

- Financial Administrator should also:
  - inform students to borrow only to amount needed
  - review school's refund policy
  - review student's loan rights and responsibilities



Reporting Errors

School must report errors in school's student records to ED and the guaranty agency within 60 days of the exit interview.

Repayment Options—Direct Loans

- Standard repayment
- Extended repayment
- Graduated repayment
- Income-contingent repayment

Repayment Options—FFEL

- Standard repayment
- Graduated repayment
- Income-sensitive repayment

Session 25 - From Source to Student: Direct Loan and FFEL Funds

By the end of this session, you will be able to:

- ***perform the school's role in the flow of Direct Loan funds from the U.S. Department of Education (ED) to the student,***
- ***perform the school's role in the flow of Federal Family Education Loan (FFEL) funds from the lender to the student, and***
- ***certify an FFEL application.***

RESOURCES

- *The 1998-99 Federal Student Financial Aid Handbook,* Chapter 10
- *The 1998-99 Direct Loan School Guide*

SESSION CONTENTS

1. Need to Know
   - Lecture Notes
   - Sample Direct Loan Promissory Note
   - Sample FFEL Application
2. Practice
   - Review Quiz
3. Back at the Office
4. Answer Key

BEST COPY AVAILABLE

NEED TO KNOW

The Direct Loan Servicing Center

1-800-848-0978

- order *The 1998-99 Direct Loan School Guide** and ask questions

Direct Loan Processing

- Student completes FAFSA
- Loan origination record is created from FAFSA information
- Promissory note generated from loan origination record
- School requests funds from ED
- School disburses funds to student
- School reports disbursements to Direct Loan Origination Center

FFEL Processing

- Student completes FAFSA
- Student completes common loan application
- School completes the "School Section" of the loan application and sends it to the lender or guaranty agency via mail or electronically
- Lender certifies loan application and sends it to the guaranty agency
- Guaranty agency guarantees the loan
- Funds sent to the school via check or electronic transfer
- School delivers funds to the student via check or electronic funds transfer
- School documents funds delivered to student

---

*The 1998-99 *Direct Loan School Guide* will be available in July, 1998.

Direct Loans

William D. Ford Federal Direct Loan Program
U.S. Department of Education

OMB No. 1840-0667
Form Approved
Exp. Date 12/31/98

WARNING: Any person who knowingly makes a false statement or misrepresentation on this form shall be subject to penalties which may include fines, imprisonment or both, under the U.S. Criminal Code and 20 U.S.C. 1097.

Federal Direct Stafford/Ford Loan
Federal Direct Unsubsidized Stafford/Ford Loan
Promissory Note and Disclosure

Section A: To Be Completed By The Borrower

1. Name (last, first, middle initial) and Address (street, city, state, zip code)

2. Social Security Number

3. Date of Birth MM/DD/YYYY

4. Area Code/ Telephone Number

5. Driver's License Number (List state abbreviation first.)

6. **References: You must list two persons with different U.S. addresses who have known you for at least three years. The first reference should be a parent or legal guardian.**

Name	1. ______________________	2. ______________________
Permanent Address	______________________	______________________
City, State, Zip Code	______________________	______________________
Area Code/Telephone Number	( ) ______________________	( ) ______________________

Section B: To Be Completed By The School

7. School Name

8. Loan Period From: MM/DD/YYYY To: MM/DD/YYYY

9. School Address (street, city, state, zip code)

10. School Code/Branch

The chart below shows anticipated disbursement amounts and dates. Actual amounts and dates may vary. The interest rate for this note is variable.

	Anticipated Disbursement Dates	Loan Amount Approved	Loan Fee Rate	Loan Fee Amount	Net Disbursement Amount
Direct Subsidized Loan					
	Total				
Direct Unsubsidized Loan					
	Total				

I promise to pay the U.S. Department of Education all sums (hereafter "loan" or "loans") disbursed under this Promissory Note plus interest and other fees which may become due, as provided in this Promissory Note. If I fail to make payments on this Promissory Note when due, I will also pay collection costs including attorney's fees and court costs. I understand that I may cancel or reduce the size of my loan by refusing any disbursement that is issued to me. I certify that the total amount of loan that I receive under this Promissory Note will not exceed the allowable annual maximum or cumulative maximum under the Higher Education Act of 1965, as amended.

I understand that this is a Promissory Note. I will not sign this Promissory Note before reading it, even if I am advised not to read this Promissory Note. I am entitled to an exact copy of this Promissory Note and a Statement of the Borrower's Rights and Responsibilities. My signature certifies that I have read, understand, and agree to the terms and conditions of this Promissory Note and the statement of Borrower's Rights and Responsibilities. My signature on this Promissory Note will serve as my authorization for my loan proceeds to be credited to my student account by the school identified in Section B.

11. Identification Number(s)

Under penalty of perjury, I certify that the information contained in the Borrower Section of this Promissory Note is true and accurate. The proceeds of this loan will be used for authorized educational expenses at the certifying school for the specified loan period. I certify that I do not owe a refund on a Federal Pell Grant, Basic Educational Opportunity Grant, Supplemental Educational Opportunity Grant or a State Student Incentive Grant and that I am not now in default on any loan received under the Federal Perkins Loan Program (including National Defense Student Loans) or the Federal Family Education Loan Program, or Direct Loan Program, or if I am in default, I have made repayment arrangements that are satisfactory to the holder of my loans.

I UNDERSTAND THAT THIS IS A FEDERAL LOAN THAT I MUST REPAY.

12. Signature of Borrower ______________________ Date MM/DD/YYYY

Retain a copy of this signed promissory note for your records.

BEST COPY AVAILABLE

Application and Promissory Note for Federal Stafford Loans *(subsidized and unsubsidized)*

WARNING: Any person who knowingly makes a false statement or misrepresentation on this form is subject to penalties which may include fines or imprisonment under the United States Criminal Code and 20 U.S.C. 1097.

Guarantor or Program Identification

Borrower Section

Please print neatly or type. Read the instructions carefully.

1. Last Name: Jackson	First Name: Chris	MI: B	2. Social Security Number: 999-99-9999
3. Permanent Street Address (If P.O. Box, see instructions.): 2912 Bluefield Court		4. Telephone Number: (301) 111-0000	5. Loan Period (Month/Year): From 8/98 To 5/99
City: Rockville	State: MD Zip Code: 20906	6. Driver's License Number (List state abbreviation first.): None	
7. Lender Name: Town Bank	City: Rockville State: MD Zip Code: 20907	8. Lender Code, if known: 009944	9. Date of Birth (Month/Day/Year): 02/10/80

10. **References:** You must provide two separate references with different U.S. addresses. The first reference should be a parent or legal guardian (if living). Both references must be completed fully.

	1.	2.
Name	Marcia Jackson	Stan Jackson
Permanent Address	2912 Bluefield Court	600 Falls Way
City, State, Zip Code	Rockville, MD 20906	Rockville, MD 20907
Area Code/Telephone	(301) 111-0000	(301) 264-0000
Relationship to Borrower	Mother	Uncle

Loan Assistance Requested

11. I request the following loan type(s), to the extent I am eligible (see instructions): ☑ a. Subsidized Federal Stafford ☐ b. Unsubsidized Federal Stafford

12. I request a total amount under these loan types not to exceed (see instructions for loan maximums): My school will certify my eligibility for each loan type for which I am applying. The amount and other details of my loan(s) will be described to me in a disclosure statement. $ 2,625 .00

13. If I check yes, I am requesting postponement (deferment) of repayment for my Stafford and prior SLS loan(s) during the in-school and grace periods. If I check no, I do not want to defer repayment. ☑ a. Yes, I want a deferment ☐ b. No, I do not want a deferment.

14. If I check yes, I am requesting that the lender add the interest on my unsubsidized Stafford and prior SLS loan(s) which accrues during the in-school and deferment periods, to my loan principal (capitalization). If I check no, I prefer to pay the interest. ☑ a. Yes, I want my interest capitalized ☐ b. No, I prefer to pay the interest

15. If my school participates in electronic funds transfer (EFT), I authorize the school to transfer the loan proceeds received by EFT to my student account. ☐ a. Yes, transfer funds ☑ b. No, do not transfer funds

Promissory Note

Continued on the reverse side.

Promise to Pay: I promise to pay to the lender, or a subsequent holder of this Promissory Note, all sums disbursed (hereafter "loan" or "loans") under the terms of this Note, plus interest and other fees which may become due as provided in this Note. If I fail to make payments on this Note when due, I will also pay reasonable collection costs, including attorney's fees, court costs, and collection fees. I understand I may cancel or reduce the size of any loan by refusing to accept any disbursement that is issued. I understand that this is a Promissory Note. I will not sign this Note before reading it, including the writing on the reverse side, even if otherwise advised. I am entitled to an exact copy of this Promissory Note and the Borrower's Rights and Responsibilities. My signature certifies I have read, understand, and agree to the terms and conditions of this Application and Promissory Note, including the Borrower Certification and Authorization printed on the reverse side and the accompanying Borrower's Rights and Responsibilities statement.

THIS IS A LOAN(S) THAT MUST BE REPAID.

16. Borrower's Signature: Chris Jackson Today's Date *(Month/Day/Year)*: 8/4/98

School Section

To be completed by an authorized school official.

17. School Name: Chesapeake State University	23. School Code/Branch: 099999	28. Telephone Number: (301) 999-0000
18. Street Address: 2222 College Circle	24. Cost of Attendance: $ 11,000 00	29. Recommended Disbursement Date(s) (Month/Day/Year): 1st 9/29/98 2nd 1/6/99
City: Frederick State: MD Zip Code: 22202	25. Federal Expected Family Contribution: $ 0 00	3rd 4th
19. Loan Period (Month/Day/Year): From 8/19/98 To 5/20/99	26. Estimated Financial Aid: $ 8,000 00	30. School Certification (See box on the reverse side.): F. A. Wright Signature of Authorized School Official
20. Grade Level: 01	27. Certified Loan Amounts a. Subsidized $ 2,625 00	F. A. Wright, Associate Dir. Print or Type Name and Title
21. Enrollment Status (Check one.): ☑ Full Time ☐ At Least Half Time	b. Unsubsidized $ 0 00	Date: 8/4/98
22. Anticipated Completion (Graduation) Date (Month/Day/Year): June 1, 2002		Check box if electronically transmitted to guarantor ☐

Lender Section

To be completed by an authorized lending official.

31. Lender Name	32. Lender Code/Branch	33. Telephone Number ( )	34. Lender Use Only
Street Address	35. Amount(s) Approved a. Subsidized $ 00 b. Unsubsidized $ 00		
City State Zip Code	36. Signature of Authorized Lending Official	Print or Type Name, Title, and Date	

1/31/94

1st - Lender Original

Promissory Note *(continued)*

Disclosure of Terms

This Note applies to subsidized and unsubsidized Federal Stafford Loans. I agree that the lender or any subsequent holder may assign my loan(s) and acknowledge that either loan may be assigned independently of the other loan to which this Note applies.

At or before the time of my first disbursement, the lender will send me a disclosure statement identifying additional terms of each loan. Important additional information is also disclosed in the statement of Borrower's Rights and Responsibilities accompanying this Note.

Interest

Unless my lender notifies me in writing of a lower rate(s), the rate(s) of interest for my loan(s) are those specified in the Higher Education Act of 1965, as amended, and applicable U.S. Department of Education regulations (collectively referred to as the Act). The rate is presented in the statement of Borrower's Rights and Responsibilities.

Interest accrues on the unpaid principal balance of each loan from the date of disbursement by the lender until the entire principal balance is paid in full. I agree to pay all interest charges on my unsubsidized Federal Stafford Loan. I agree to pay all interest charges on my subsidized Federal Stafford Loan except interest payable by the federal government under the Act.

Unless I have requested that the interest that accrues on my unsubsidized Federal Stafford Loan be added to the principal balance of my loan (referred to as capitalization), I will begin paying interest upon disbursement. If I fail to make required payments of interest before the beginning of principal repayment, or during a period of authorized deferment or forbearance, I agree that the holder may capitalize such interest to the extent permitted by the Act.

Origination Fee and Guarantee Fee

For each loan, the federal government charges an origination fee equal to the amount required by the Act. The guaranty agency that guarantees my loan(s) (the guarantor) may charge a guarantee fee not to exceed a maximum amount specified in the Act. I will pay these fees, as identified in the disclosure statement, which will be deducted proportionately from each disbursement of my loan(s). I understand the origination and guarantee fees are refundable only if a disbursement is cancelled or repaid in full within 120 days of disbursement.

Late Charges and Collection Costs

If I fail to make any part of an installment payment within 10 days after it becomes due, the holder may collect from me a late charge not to exceed 6% of each late installment. If I default on a loan(s), I shall pay reasonable collection fees and costs, plus court costs and attorney fees.

Repayment

I am obligated to repay the full amount of the loan(s) and accrued interest. Federal Stafford Loans have a repayment grace period, usually until six months after I end enrollment as at least a half-time student at an eligible school. My grace period will be disclosed in my disclosure statement.

I will repay the principal of my loan(s) in periodic installments during a repayment period(s) that begins on the day immediately following the end of my grace period. My principal repayment period for each loan generally lasts five years but may not exceed 10 years, exclusive of any period of deferment or forbearance.

The holder of my loan(s) will provide me with a repayment schedule that identifies my payment amounts and due dates. The minimum annual payment required on all my Federal Stafford, PLUS, and SLS Loans is $600 or the amount of interest due and payable, whichever is larger. If I am eligible and I request it, my lender must provide me with a graduated or income-sensitive repayment schedule consistent with the provisions of the Act.

My repayment schedule may include all of my Federal Family Education Loans that are owned by the holder of this Note. I agree that the holder may grant me a forbearance for purposes of aligning payment dates on my loans or to eliminate a delinquency that persists even though I am making scheduled payments.

I may prepay all or any part of the unpaid balance on my loans at any time without penalty. If I do not specify which loans I am prepaying, the holder will determine how to apply the prepayment.

Acceleration and Default

At the option of the holder, the entire unpaid balance shall become immediately due and payable upon the occurrence of any one of the following events: **(i)** I fail to enroll as at least a half-time student at the school that certified my Application; **(ii)** I fail to use the proceeds of the loan(s) solely for educational expenses; **(iii)** I make a false representation(s) that results in my receiving a loan(s) for which I am not eligible; or **(iv)** I default on the loan(s).

The following events shall constitute a default on a loan: **(i)** I fail to pay the entire unpaid balance after the holder has exercised its option under the preceding paragraph; or **(ii)** I fail to make installment payments when due, or fail to comply with other terms of the loan(s), and the guarantor reasonably concludes I no longer intend to honor my repayment obligation, provided my failure has persisted for at least 180 days for payments due monthly or 240 days for payments due less frequently than monthly. If I default, the guarantor may purchase my loan, and capitalize all then-outstanding interest into a new principal balance, and collection fees will become immediately due and payable.

If I default, this will be reported to national credit bureau organizations and will significantly and adversely affect my credit history. I acknowledge that a default shall have additional adverse consequences to me as disclosed in the statement of Borrower's Rights and Responsibilities. Following default, the loan(s) may be subject to income-contingent repayment (including potential collection of amounts in excess of the principal and interest) in accordance with the Act.

Governing Law and Notices.

The terms of this Note will be interpreted in accordance with the Higher Education Act of 1965, as amended [20 U.S.C. 1070 et seq.], other applicable federal statutes and regulations, and the guarantor's policies. Applicable state law, except as preempted by federal law, may provide for certain borrower rights, remedies, and defenses in addition to those stated in this Note.

If this loan is made by the school, or if the proceeds of this loan are used to pay tuition and charges of a for-profit school that refers loan applicants to the lender, or that is affiliated with the lender by common control, contract, or business arrangement, any holder of this Note is subject to all claims and defenses which I could assert against the school. My recovery under this provision shall not exceed the amount I paid on this loan.

If I reside in the state in which the principal office of the guarantor is located, the guarantor may sue to enforce this loan in the county in which the guarantor's office is located. However, if I object to being sued there and I mail a written objection to the guarantor that is postmarked no later than 30 days after I am served with the suit, the guarantor will either have the court transfer the suit to the county in which I live or will dismiss the lawsuit.

Any notice required to be given to me will be effective if mailed by first class mail to the latest address I have provided to the holder of this Note, or if the holder reasonably determines that this address is no longer my address, to the latest address secured by the holder from the Department of Education or other reliable source. Failure by the holder to enforce or insist on compliance with any term on this Note shall not be a waiver of any right of the holder. No provision of this Note may be modified or waived except in writing. If any provision of this Note is determined to be unenforceable, the remaining provisions shall remain in force.

Borrower Certification and Authorization

I declare under penalty of perjury that the following is true and correct:

(1) I certify that the information contained in the Borrower Section of the Application is true, complete, and correct to the best of my knowledge and belief and is made in good faith.

(2) I certify that I will immediately repay any loan proceeds that cannot reasonably be attributed to educational expenses for attendance on at least a half-time basis at the certifying school for the loan period certified on the Application.

(3) I certify that the total amount of loans I receive under this Note will not exceed the allowable maximums under the Act.

(4) I certify that I do not now owe a refund on a Federal Pell Grant, Basic Educational Opportunity Grant, Supplemental Educational Opportunity Grant, or a State Student Incentive Grant and that I am not now in default on any loan received under the Federal Perkins Loan Program (including NDSL loans), the Federal Direct Loan Program, or the Federal Family Education Loan Program (or "FFELP" as defined in the statement of Borrower's Rights and Responsibilities) or, if I am in default, I have made payment arrangements that are satisfactory to the holder.

(5) I authorize my school to pay to the holder any refund, that may be due to me, up to the amount of the loan(s).

(6) I authorize the holder(s) of my loan(s), the guarantor, or their agents, to investigate my credit record and report information concerning my loan status to proper persons and organizations.

(7) I authorize the release of information pertinent to this loan: **(i)** by the school, current holder, and the guarantor, or their agents, to members of my immediate family unless I submit written directions otherwise; and, **(ii)** by and amongst my schools, lenders, guarantors, subsequent holders, the Department of Education, and their agents.

(8) So that the loan(s) requested can be approved, I authorize the Department of Education to send any information about me that is under its control, including information from the Free Application for Federal Student Aid, to state agencies and nonprofit organizations that administer financial aid programs under the FFELP.

School Certification

I hereby certify that the borrower named on this Application is accepted for enrollment on at least a half-time basis and is making satisfactory progress in a program that is eligible for the loan type(s) certified. I certify that the student is an eligible borrower in accordance with the Act. I further certify that the borrower's eligibility for a Pell Grant has been determined, that the borrower is not incarcerated, and that the borrower has been determined eligible for loan(s) in the amount(s) certified. I further certify that the disbursement schedule complies with the requirements of the Act and hereby authorize the guarantor to adjust disbursement dates if necessary to ensure compliance with the Act. I further certify that, based on records available and due inquiry, the borrower has met the requirements of the Selective Service Act, that the borrower is not liable for an overpayment of any federal grant made under the Act, and that the information provided in the Borrower and the School Sections of the Application (including information supplied in electronic format) is true, complete, and accurate to the best of my knowledge and belief. I agree to provide the borrower with confirmation of any transfer of funds through EFT to the borrower's student account.

1/31/94

BEST COPY AVAILABLE

PRACTICE

Review Quiz — Timing

Choose from the following numbers to complete the statements below: (Not all numbers are used, and some may be used more than once.)

1
3
5
10
13
15
20
25
30
45

1. "Immediate Need" is defined as the amount of Direct Loan funds a school will need to disburse to students within _____ business days.
2. An FFEL school may not request loan funds from a lender earlier than _____ calendar days before the beginning of the period of enrollment.
3. Direct Loan schools must compare their disbursements to the Direct Loan School Account Statement (DLSAS) supplied by ED every _____ calendar days.
4. Loan funds may not be disbursed/delivered more than _____ calendar days before the student's period of enrollment.
5. For first-time, first-year borrowers, the school must wait until _____ calendar days after the student begins classes to disburse/deliver his or her funds.

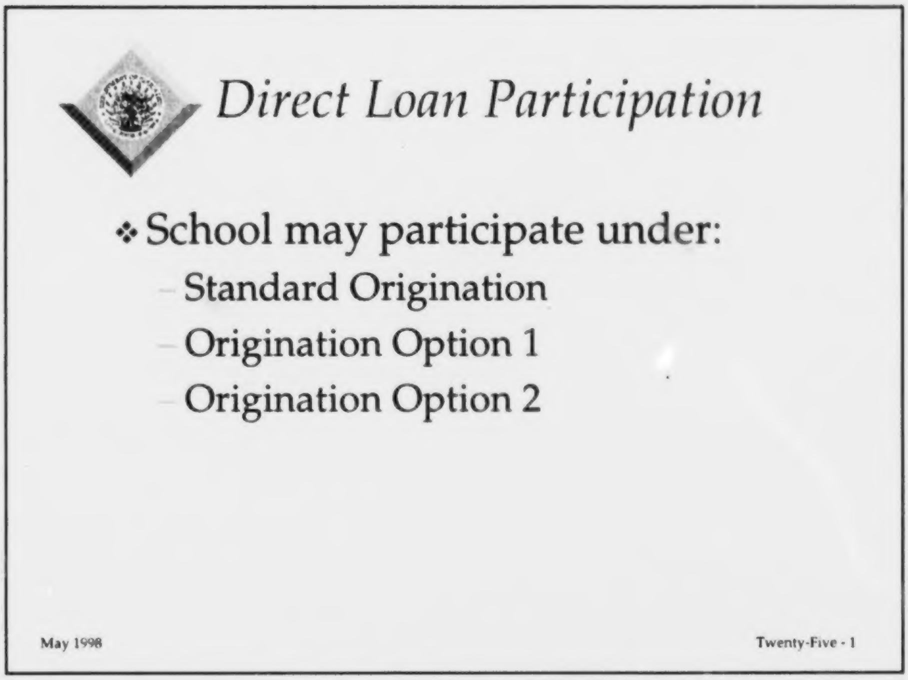
BACK AT THE OFFICE

Back at the office, you should:

- If you are interested in becoming a Direct Loan school, order *The 1998-99 Direct Loan School Guide* by calling 1-800-848-0978.
- If you are an FFEL school, obtain and review an FFEL application.
- Ensure that a mechanism is in place to verify student eligibility.
- ____
- ____
- ____

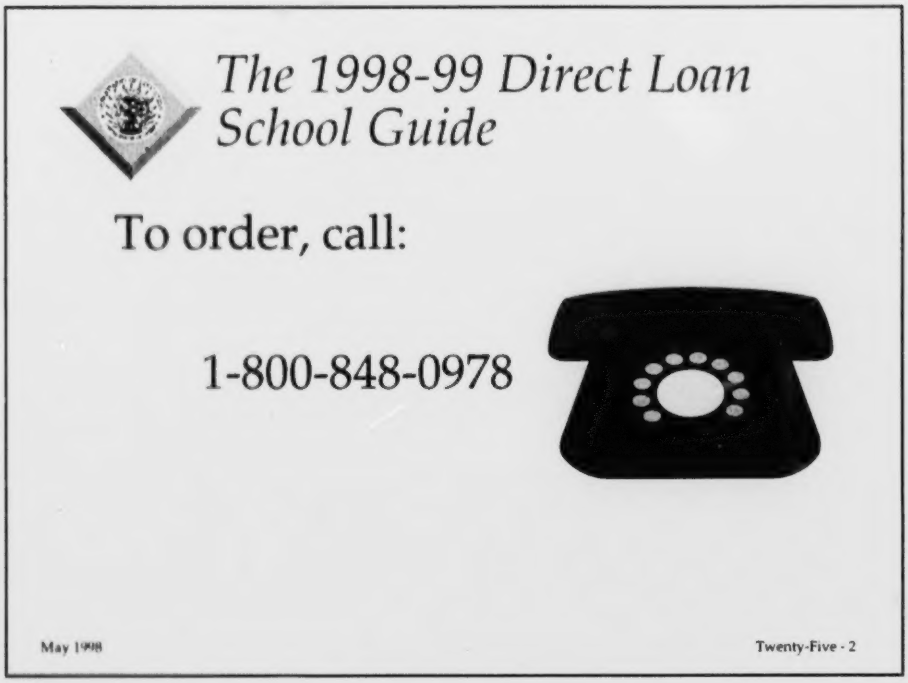
Review Quiz — Timing

1. "Immediate Need" is defined as the amount of Direct Loan funds a school will need to disburse to students within **3** business days.
2. An FFEL school may not request loan funds from a lender earlier than **13** calendar days before the beginning of the period of enrollment.
3. Direct Loan schools must compare their disbursements to the DLSAS supplied by ED every **30** calendar days.
4. Loan funds may not be disbursed/delivered more than **10** calendar days before the student's period of enrollment.
5. For first-time, first-year borrowers, the school must wait until **30** calendar days after the student begins classes to disburse/deliver his or her funds.



Direct Loan Participation

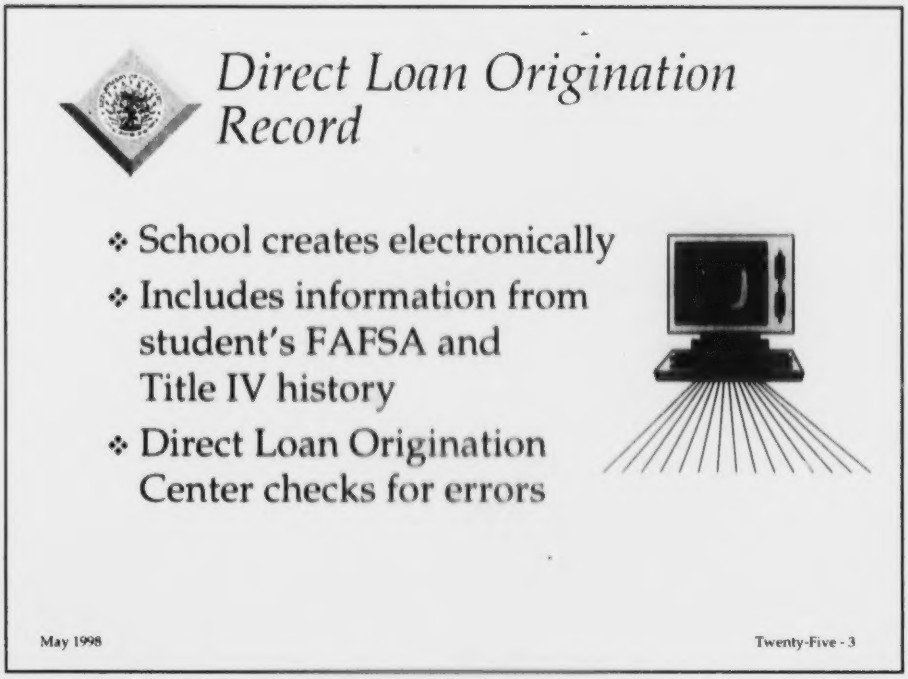
- School may participate under:
  - Standard Origination
  - Origination Option 1
  - Origination Option 2



The 1998-99 Direct Loan School Guide

To order, call:

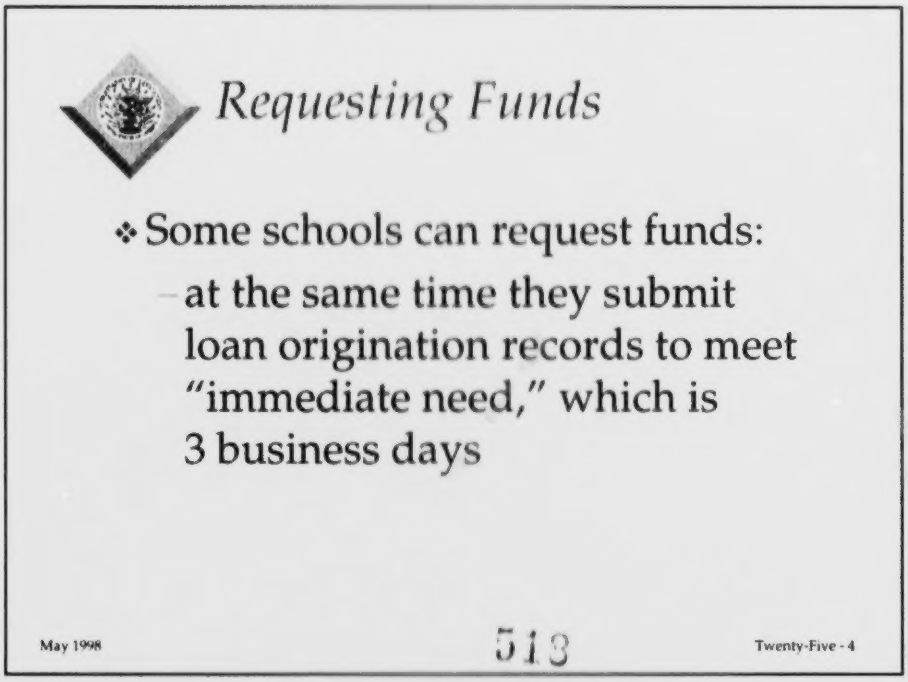
1-800-848-0978



Direct Loan Origination Record

- School creates electronically
- Includes information from student's FAFSA and Title IV history
- Direct Loan Origination Center checks for errors

May 1998 Twenty-Five - 3



Requesting Funds

- Some schools can request funds:
  - at the same time they submit loan origination records to meet "immediate need," which is 3 business days

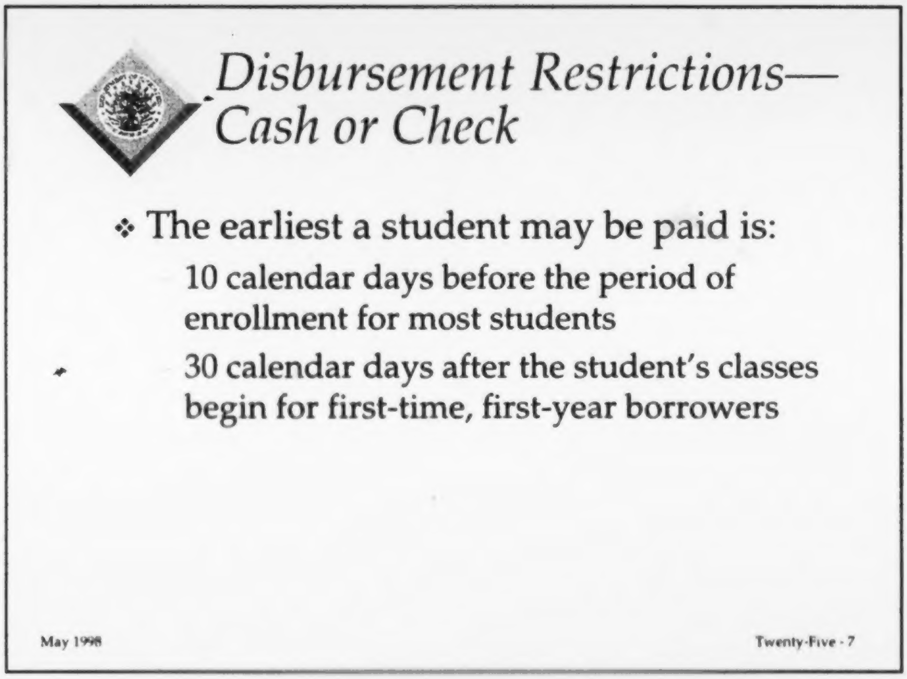
May 1998 Twenty-Five - 4

Requesting Funds (cont'd)

- For other schools:
  - the Servicing Center requests for the school 4 calendar days before anticipated disbursement

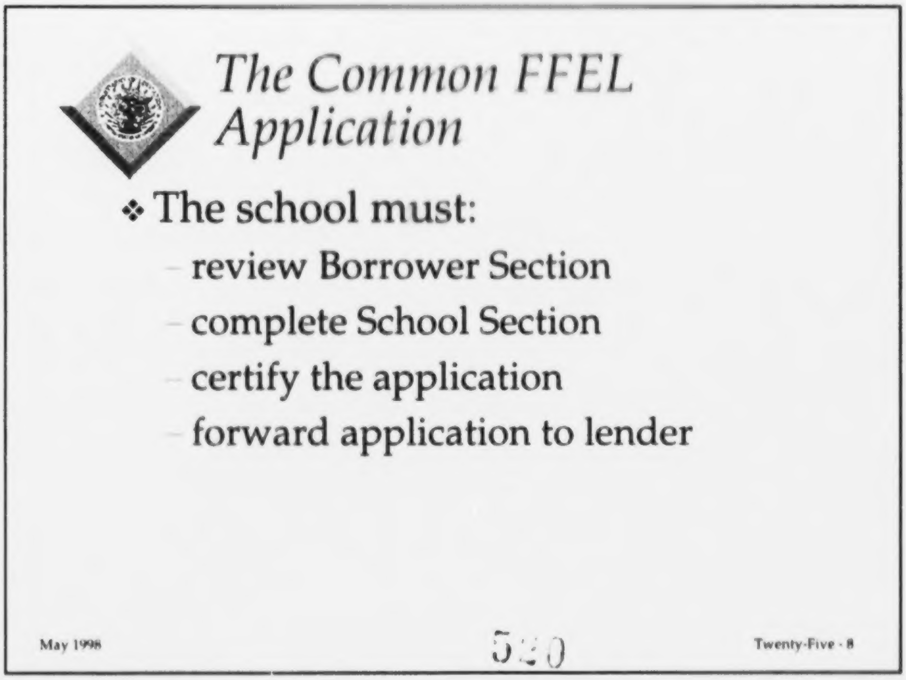
Before Disbursement

- Prior to disbursing funds, the school reviews the student's:
  - enrollment status
  - previous Title IV debts
  - satisfactory academic progress



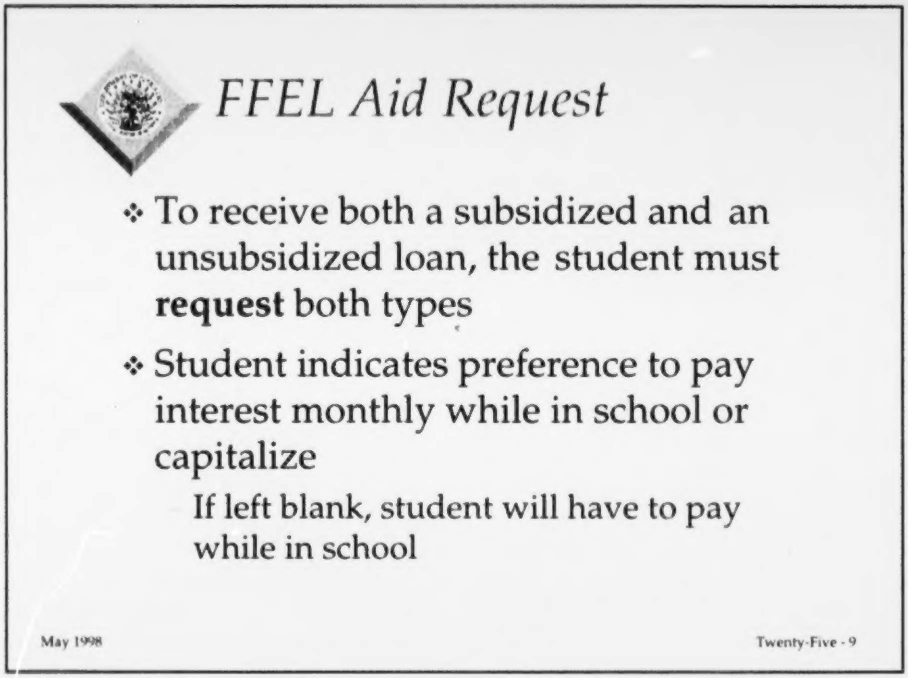
Disbursement Restrictions— Cash or Check

- The earliest a student may be paid is:
  - 10 calendar days before the period of enrollment for most students
  - 30 calendar days after the student's classes begin for first-time, first-year borrowers



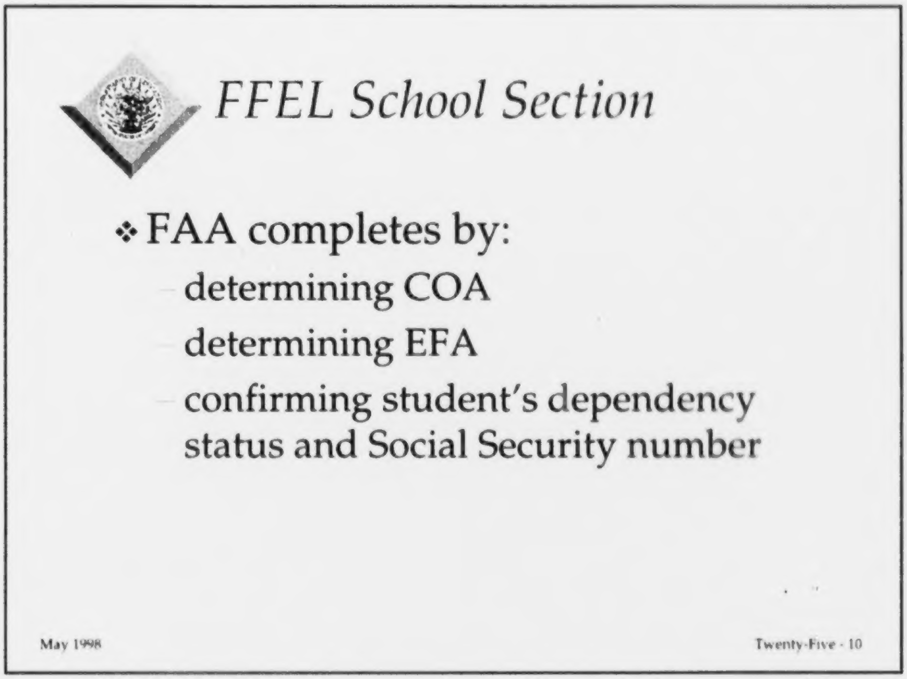
The Common FFEL Application

- The school must:
  - review Borrower Section
  - complete School Section
  - certify the application
  - forward application to lender



FFEL Aid Request

- To receive both a subsidized and an unsubsidized loan, the student must **request** both types
- Student indicates preference to pay interest monthly while in school or capitalize
  - If left blank, student will have to pay while in school



FFEL School Section

- FAA completes by:
  - determining COA
  - determining EFA
  - confirming student's dependency status and Social Security number

School Control of FFEL Program Loan Certification

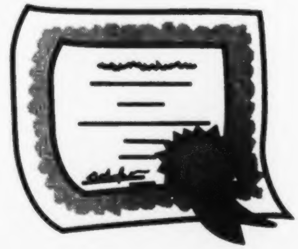
- School has the authority to refuse to certify an FFEL application, or to certify it for a lesser amount
- Reason for refusal must be documented and provided in writing to the student

Item 27—Certified Loan Amounts

- You must enter an amount for both subsidized and unsubsidized
- Enter "$0" if student is not eligible for or not interested in one of the loan types
- DO NOT LEAVE EITHER **27(a)** OR 27**(b)** BLANK!

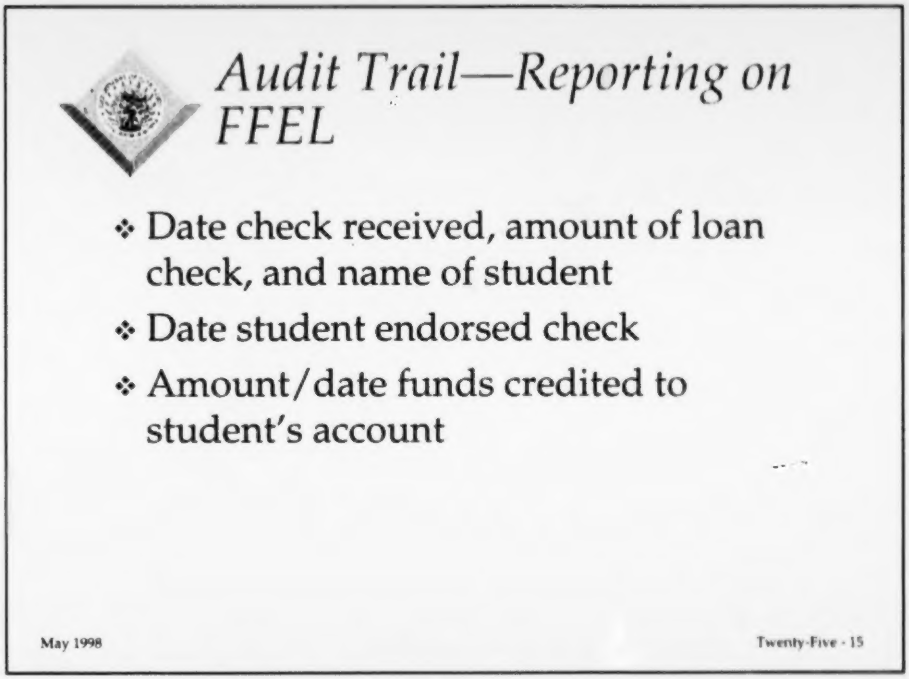
Before Certifying the FFEL Application

- Determine Pell Grant eligibility
- Determine enrollment status
- Check for satisfactory academic progress



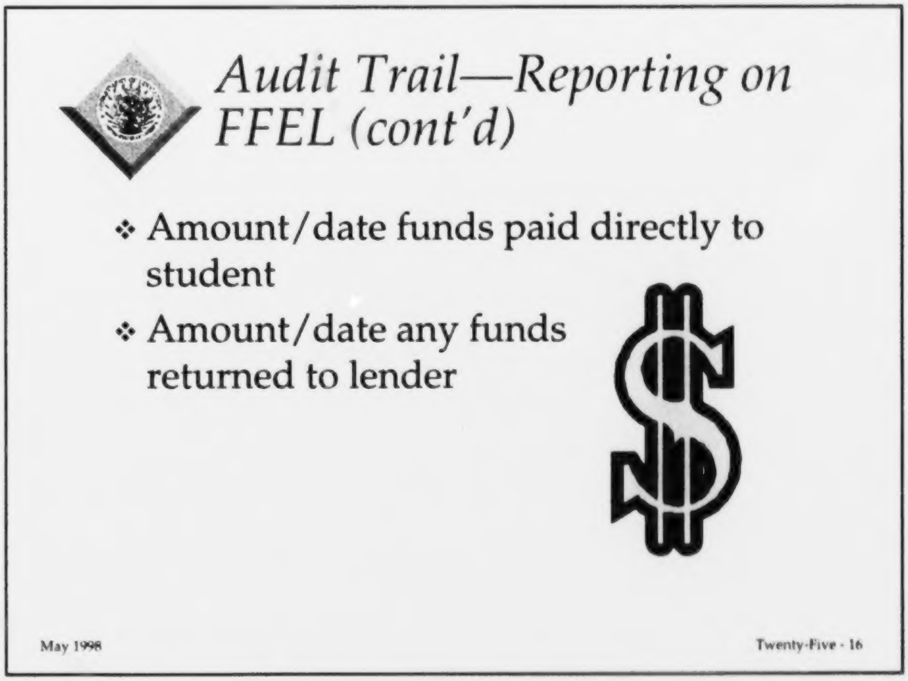
Requesting an FFEL Disbursement from the Lender

- School may not request FFEL funds from lender more than:
  - 13 calendar days before period of enrollment for most students
  - 24th calendar day of enrollment period for first-time, first-year borrowers



Audit Trail—Reporting on FFEL

- ❖ Date check received, amount of loan check, and name of student
- ❖ Date student endorsed check
- ❖ Amount/date funds credited to student's account



Audit Trail—Reporting on FFEL (cont'd)

- ❖ Amount/date funds paid directly to student
- ❖ Amount/date any funds returned to lender

Session 26 - Campus-Based and Direct Loan/FFEL Overawards and Overpayments

By the end of this session, you will be able to:

- ***identify overpayments and overawards and***
- ***correct and adjust overpayments and overawards in Title IV programs.***

RESOURCES

- *The 1998-99 Federal Student Financial Aid Handbook,* Chapter 5, Chapter 7, and Chapter 10
- *The Verification Guide, 1998-99,* Chapter 5
- *34 CFR Section 668.35(c)*
- *34 CFR Section 673.5*

SESSION CONTENTS

1. Need to Know
   - Lecture Notes
   - Chart — Procedures for Direct Loan Cancellations, Adjustments, and Payments on a Loan Balance

BEST COPY AVAILABLE

SESSION CONTENTS (cont'd)

2. Practice
    - Exercise 1 — Campus-Based Awards
    - Exercise 2 — Overaward Threshold
    - Exercise 3 — Overaward and Overpayment Scenarios
3. Back at the Office
4. Answer Key

NEED TO KNOW

Campus-based Program Overawards:

- $300 overaward threshold allowed if it occurs after campus-based aid has been awarded.
  - ♦ School can't deliberately award campus-based aid in excess of a student's financial need.
- To correct campus-based overawards: (Follow steps until corrected)

  Step 1: Adjust FFEL and Direct unsubsidized loans and PLUS loans

  Step 2: Adjust FFEL and Direct subsidized loans

  Step 3: Recalculate need and, if necessary, adjust other aid (including campus-based)

Campus-based Overpayments:

- To correct, if school's fault, restore to program funds amount of overpayment plus administrative cost allowance claimed on that amount.
- To correct, if student's fault, make no further Title IV payments to student and make reasonable effort to recover funds from student.
  - ♦ Include written notice of amount owed, warn of Title IV ineligibility.
  - ♦ Note overpayment on FATs.
  - ♦ For FSEOG, refer students to ED if can't recover funds and if federal share of overpayment is $25 or more.

Direct Loan and FFEL Overawards:

- There is no threshold for Direct Loan and FFEL overawards.
    - ♦ Threshold does apply if campus-based funds are present.
- For Direct Loans, see chart on pages 5 and 6 of this Workbook and the Direct Loan School Guide.
- To correct FFEL "potential" overaward **(before the loan proceeds arrive at the school):**
    - ♦ ask lender to cancel or reduce loan amount *or*
    - ♦ adjust institutional or campus-aid first.
- To correct FFEL "actual" overaward **(after loan proceeds arrive at the school):**
    - ♦ return part or all of loan to lender (include written statement explaining reason for return) *or*
    - ♦ request corrected amount from lender.

Procedures for Direct Loan Adjustments

Disbursement[1] Adjustments

A disbursement adjustment is a return of a portion of a disbursement within 120 days of the disbursement date. Events that would create a ***disbursement adjustment*** include:

- A disbursement amount was entered incorrectly and must be corrected.
- A reduction in the student's eligibility results in a downward adjustment to a disbursement. (Note: Schools are not required to make an adjustment if the loan has been disbursed.)
- A refund is due under the Title IV refund policy that is less than the full amount of the disbursement.

Other than to correct a data error, if an originating school adjusts a disbursement downward, it returns the net adjustment amount (the amount received back from the borrower) to its "federal" account. Excess funds must be returned to ED. Standard origination and Option 1 schools return the net adjustment amount to ED. Option 2 schools may use the funds to disburse to another eligible borrower. All schools send disbursement adjustment records reflecting an adjustment to ED. **The borrower is responsible for loan fees and accrued interest only on the total adjusted amount of the disbursement. If a borrower returns a portion of a disbursement directly to ED within 120 days of the disbursement date, the borrower must include with the payment a letter that explains that the disbursement should be adjusted. If the borrower includes this letter, the borrower will be responsible only for the loan fees and accrued interest on the adjusted amount of the disbursement. If no letter is included, the borrower will be responsible for the loan fees and accrued interest on the entire disbursement amount.**

---

[1] Within 120 days of the disbursement date.

Procedures for Direct Loan Cancellations and Payments on a Loan Balance

Disbursement Cancellations

A disbursement cancellation is the return of the total disbursement amount received by the borrower, by either the school or the borrower, within 120 days of the disbursement date. Events that would create a ***disbursement cancellation*** include:

- The school determines that the disbursement should not have been made.
- The borrower requests a cancellation.
- The borrower returns to the school all funds that have been disbursed.
- There is a refund due under the Title IV refund policy that would result in a refund of the total amount disbursed.

An Option 2 school returns canceled funds to its "federal" account when the school determines or has knowledge that an event listed above has happened. Excess funds are to be returned to ED. Standard origination and Option 1 schools return the net cancellation amount to ED. Option 2 schools may use the funds to disburse to another eligible borrower. All schools send disbursement and cancellation records to the Direct Loan Servicing Center. **ED will cancel a borrower's disbursement if the borrower or the school returns the full amount of a disbursement to ED within 120 days of the disbursement date. The borrower is not responsible for loan fees and accrued interest for a canceled disbursement.**

Payment of a Loan Balance

A partial or total disbursement returned for any reason, by either the school or the borrower, 121 days or more after the date of the disbursement does not reduce the loan amount borrowed. Rather, the payment is applied to the borrower's account just like any other regular payment. When making a payment, the school or borrower must send a check to ED with the appropriate information needed to apply the amount to the borrower's account. ED, upon receiving the check, applies the payment amount to late charges, collection fees, and outstanding interest before crediting it to the principal balance. **The borrower is responsible for loan fees and accrued interest on the original amount of the loan.**

---

[1] Within 120 days of the disbursement date.

[2] After the 120-days cancellation/adjustment period.

PRACTICE

Exercise 1 — Campus-Based Overawards

James attends Hilltop College. His need is $8,900. The school has awarded him the following package:

Pell Grant	$2,700
FSEOG	$3,000
Federal Perkins Loan	$2,000
FWS	$1,200
TOTAL	**$8,900**

After the school packaged his aid, James received a $900 scholarship from a youth organization.

1. Does this create an overaward?
2. If so, how much?
3. Assume that the school has recalculated James's need and finds that it is still $8,900. What changes must the school make to address the overaward?

Pell Grant	$ ________
FSEOG	$ ________
Federal Perkins Loan	$ ________
FWS	$ ________
Youth Scholarship	$ ________
TOTAL	**$** ________

PRACTICE (cont'd)

Exercise 2 — Overaward Threshold

Marilyn's need at the local community college is $4,700. Her award package consists of the following:

Pell Grant	$2,300
FSEOG	$2,000
TOTAL	**$4,300**

Describe the actions the school must take in each of the following scenarios.

1. Marilyn receives a merit scholarship of:
   a. $450
   b. $700
   c. $1,200

2. Marilyn takes a job after class at a health spa that is owned by a family friend.

3. Marilyn asks for an FWS job to make up her remaining need of $400. After she's been on the job for two weeks, she receives a $500 American Legion Award.

Exercise 3 — Overpayment and Overaward Scenarios

For the following scenarios, determine if there is an overpayment or an overaward and describe the school's responsibility. Assume the COA for each student attending Jackson College is $4,000 and that each student's EFC is zero.

1. Joshua plans to attend Jackson College. His subsidized loan for $4,000 is certified, but the loan proceeds have not yet been received by the school. The aid administrator learns that Joshua has just been awarded a full $4,000 scholarship from a foundation. Is this an overaward or an overpayment? What does the school need to do?

2. Arlene has an aid package for Jackson College as follows:

Pell Grant	$2,000
FSEOG	$1,000
Subsidized Loan	$1,000
TOTAL	**$4,000**

The subsidized loan proceeds have been received by the school, but not yet delivered to Arlene, when she receives a $1,500 civic-club scholarship. What does the school need to do? What will Arlene's new aid package look like?

PRACTICE (cont'd)

3. Bruce has an aid package to attend Jackson College as follows:

Pell Grant	$1,000
FSEOG	$1,000
FWS	$1,000
Subsidized Loan	$1,000
TOTAL	**$4,000**

The loan proceeds have been received by the school. The first installment of $500 has been delivered to Bruce when he receives a $700 scholarship. What does the school need to do? What will Bruce's new aid package look like?

BACK AT THE OFFICE

Back at the office, you should:

- Be sure to have systems and policies in place that identify and address overawards and overpayments as quickly as possible.
- Develop a system for flagging students with overpayments so that they do not receive additional Title IV aid.
- ____________________
- ____________________
- ____________________

ANSWER KEY

Exercise 1 — Campus-Based Overawards

James attends Hilltop College. His need is $8,900. The school has awarded him the following package:

Pell Grant	$2,700
FSEOG	$3,000
Federal Perkins Loan	$2,000
FWS	$1,200
TOTAL	**$8,900**

After the school packaged his aid, James received a $900 scholarship from a youth organization.

1. Does this create an overaward?

   Yes, because James's original package already meets his full need.

2. If so, how much?

   $900, of course.

3. Assume that the school has recalculated James's need and finds that it is still $8,900. What changes must be school make to address the overaward?

There are a number of alternatives. The important concept here is that the school must adjust the aid from the campus-based programs to eliminate the overaward.

The answer below represents one acceptable alternative.

Pell Grant	$ 2,700
FSEOG	$ 3,000
Federal Perkins Loan	$ 1,100
FWS	$ 1,200
Youth Scholarship	$ 900
TOTAL	**$ 8,900**

ANSWER KEY (cont'd)

Exercise 2 — Overaward Threshold

Marilyn's need at the local community college is $4,700. Her award package consist the following:

Pell Grant	$2,300
FSEOG	$2,000
TOTAL	**$4,300**

Describe the actions the school must take in each of the following scenarios

1. Marilyn receives a merit scholarship of:
   a. $450
   b. $700
   c. $1,200

   a. The $450 scholarship creates an overaward of $50, so the school does not have to take any action.

   b. Because the $700 scholarship creates a $300 overaward and, therefore, does not go beyond the allowable threshold, the school doesn't have to take any action.

   c. The $1,200 scholarship creates an overaward of $800 [($4,300 + $1,200) - $4,700 = $800]. Therefore, the school must reduce the FSEOG award by $800.

2. Marilyn takes a job after class at a health spa that is owned by a family friend.

   The job is non-need-based, so the school does not have to take any action.

ANSWER KEY (cont'd)

3. Marilyn asks for a FWS job to make up her remaining need of $400. After she's been on the job for two weeks, she receives a $500 American Legion Award.

   It depends on how much she has earned on her FWS job.

   - **If Marilyn has earned $201 or more, then the $500 scholarship creates an overaward beyond the $300 threshold and the school must reduce the FSEOG.**
   - **If Marilyn has earned $200 or less on her FWS job, the overaward is at or below $300. This means the school does not have to take any action.**

ANSWER KEY (cont'd)

Exercise 3 — Overaward and Overpayment Scenarios

For the following scenarios, determine if there is an overpayment or an overaward and describe the school's responsibility. Assume the COA for each student attending Jackson College is $4,000 and that his or her EFC is zero.

1. Joshua plans to attend Jackson College. His subsidized loan for $4,000 is certified, but the loan proceeds have not yet been received by the school. The aid administrator learns that Joshua has just been awarded a full $4,000 scholarship from a foundation. Is this an overaward or an overpayment? What does the school need to do?

   The school must cancel the subsidized loan.

2. Arlene has an aid package for Jackson College as follows:

Pell Grant	$2,000
FSEOG	$1,000
Subsidized Loan	$1,000
TOTAL	**$4,000**

The subsidized loan proceeds have been received by the school, but not yet delivered to Arlene, when she receives a $1,500 civic-club scholarship. What does the school need to do? What will Arlene's new aid package look like?

The school must cancel and return the loan and reduce campus-based aid.

Pell Grant	$2,000
Scholarship	$1,500
FSEOG	$ 500
TOTAL	**$4,000**

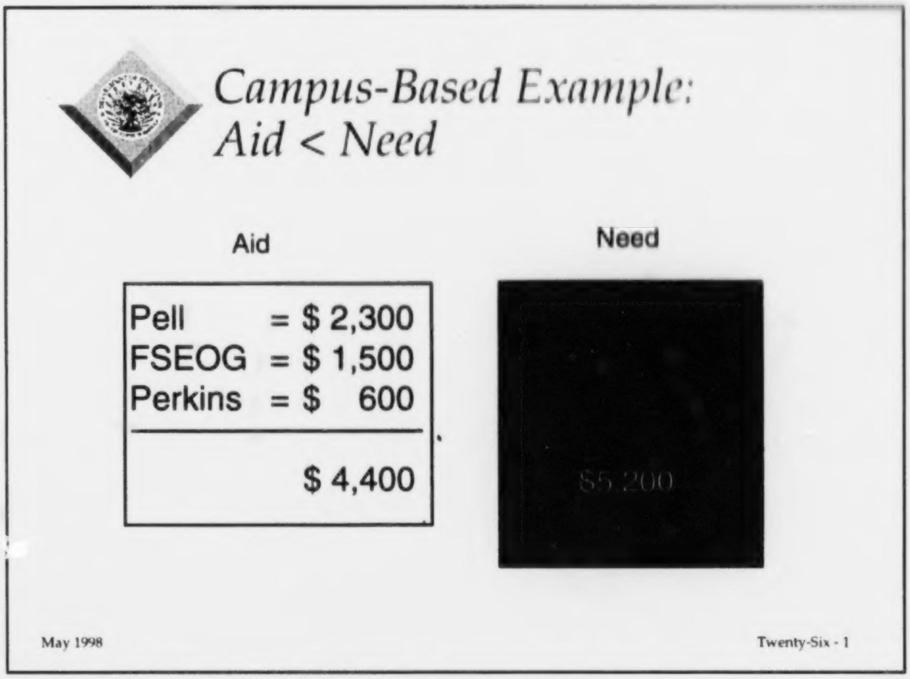
3. Bruce has an aid package to attend Jackson College as follows:

Pell Grant	$1,000
FSEOG	$1,000
FWS	$1,000
Subsidized Loan	$1,000
TOTAL	**$4,000**

The loan proceeds have been received by the school. The first installment of $500 has been delivered to Bruce when he receives a $700 scholarship. What does the school need to do? What will Bruce's new aid package look like?

The school must cancel his second loan disbursement and reduce the campus-based award.

Pell Grant	$1,000
Scholarship	$ 700
FSEOG or FWS	$1,000
FWS or FSEOG	$ 800
Subsidized Loan	$ 500
TOTAL	**$4,000**



Campus-Based Example: Aid < Need

Aid

Pell = $ 2,300
FSEOG = $ 1,500
Perkins = $ 600

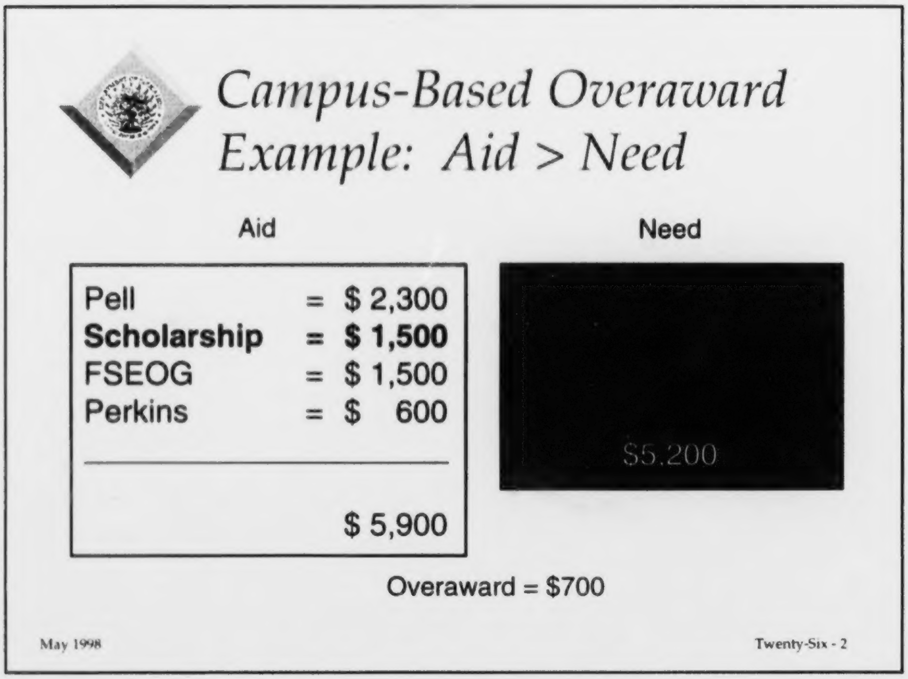
$ 4,400

Need

$5,200

May 1998

Twenty-Six - 1



Campus-Based Overaward Example: Aid > Need

Aid

Pell = $ 2,300
Scholarship = $ 1,500
FSEOG = $ 1,500
Perkins = $ 600

$ 5,900

Need

$5,200

Overaward = $700

May 1998

Twenty-Six - 2

Reduce Campus-Based Aid to Eliminate Overaward

Aid

Pell	=	$ 2,300
FSEOG	=	$ 1,400
Scholarship	=	$ 1,500
		$ 5,200

Need

$ 5,200

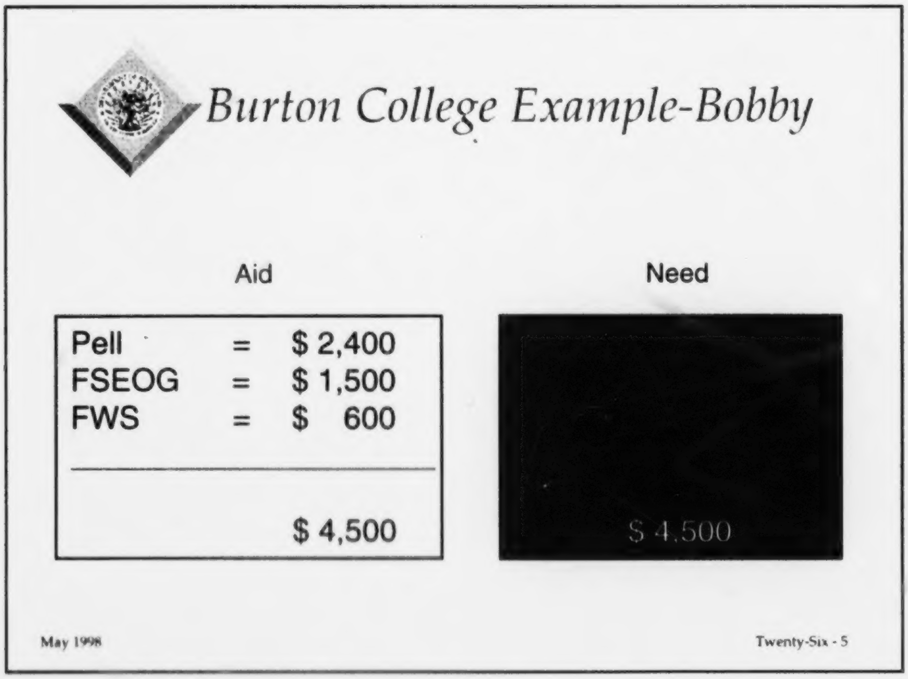
Burton College Example-Joyce

Aid

Pell	=	$ 2,200
FSEOG	=	$ 1,500
FWS	=	$ 1,200
		$ 4,900

Need

$4,000



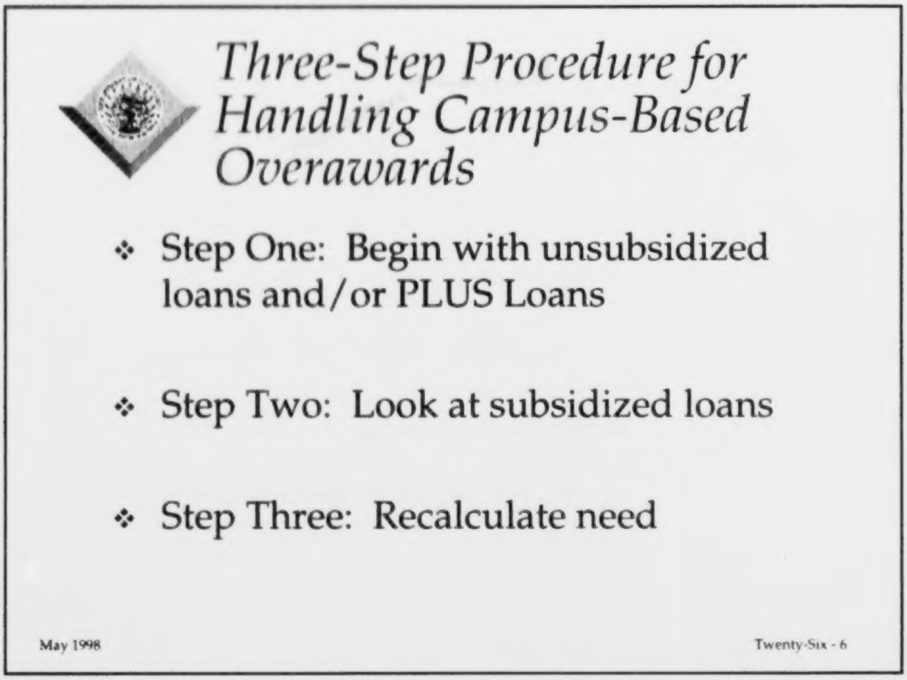
Burton College Example-Bobby

Aid

Pell	=	$ 2,400
FSEOG	=	$ 1,500
FWS	=	$ 600
		$ 4,500

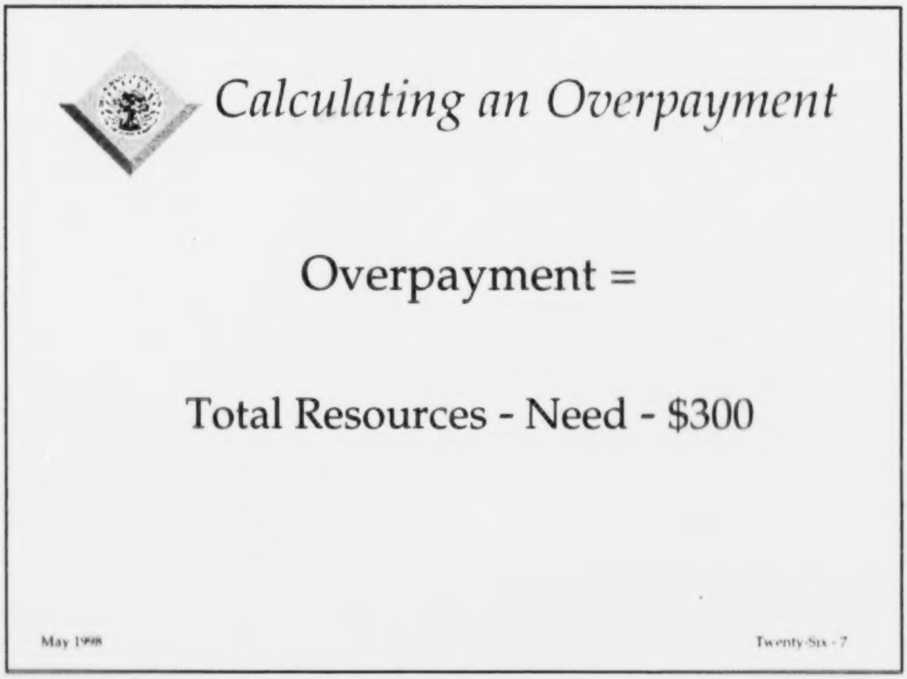
Need

$ 4,500



Three-Step Procedure for Handling Campus-Based Overawards

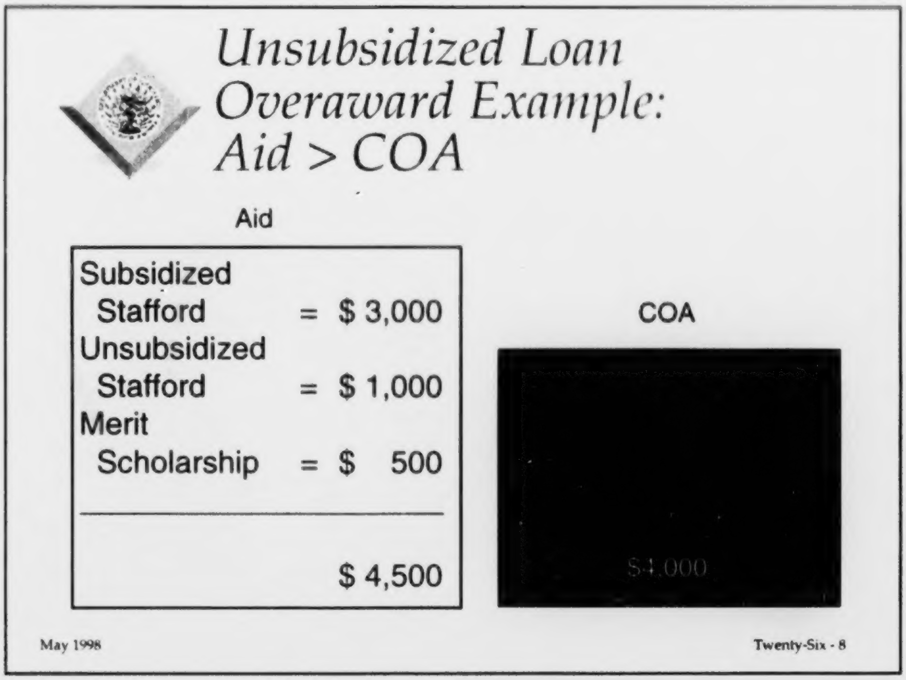
- Step One: Begin with unsubsidized loans and/or PLUS Loans
- Step Two: Look at subsidized loans
- Step Three: Recalculate need



Calculating an Overpayment

Overpayment =

Total Resources - Need - $300



Unsubsidized Loan Overaward Example: Aid > COA

Aid

Subsidized Stafford	= $ 3,000
Unsubsidized Stafford	= $ 1,000
Merit Scholarship	= $ 500
	$ 4,500

COA

$4,000

Correcting Overawards of Subsidized and Unsubsidized FFELs

- Before loan proceeds arrive at the school:
  - ask lender to cancel award or
  - adjust campus-based aid first.

Correcting Overawards of Subsidized and Unsubsidized FFELs (cont'd)

- After proceeds arrive, but before delivery to student:
  - deliver first disbursement, request lender adjust remaining disbursements
  - if student ineligible for extra disbursement, return to lender
  - if student ineligible for part of disbursement, request new check or credit school account and return rest

Correcting Overawards of Subsidized and Unsubsidized FFELS (cont'd)

- After delivery of all proceeds to student.
  - NO OVERAWARD or OVERPAYMENT

Session 27 - Calculating Refunds and Repayments

By the end of this session, you will be able to:

- ***calculate refunds and repayments and***
- ***distribute refunds and repayments.***

RESOURCES

- *The 1998-99 Federal Student Financial Aid Handbook,* Chapter 3
- *DCL GEN-95-22*

SESSION CONTENTS

1. Need to Know
    - ◆ Lecture Notes
    - ◆ Chart — Late Disbursements
2. Practice
    - ◆ Case Study
        - ◊ Student Information
        - ◊ Withdrawal Record
        - ◊ Simplified Refund Worksheet
        - ◊ Repayment Worksheet

SESSION CONTENTS (cont'd)

3. Back at the Office
4. Answer Key

NEED TO KNOW

Requirements Prior to Calculating Refunds and Repayments

Before calculating, you must:

- resolve credit balances, and
- make late disbursements. (see chart on page 5)
  - disbursement of FWS earned is *required*
  - late disbursement of Pell, FSEOG, Perkins, Direct Loan and FFELs, and state aid is *optional*
  - late disbursements of institutional and private aid are *not considered* for refund purposes

The Withdrawal Record - Important Notes

Program Costs

- Room and Board are *noninstitutional* costs if student pays source other than school or charges are just passed through school.
- Books and Supplies are *noninstitutional* costs if student has ample opportunity to purchase them from a vendor not affiliated with the school.
  - If part of enrollment agreement and purchased from school or vendor affiliated with school, books and supplies are institutional costs.
- Other charges, like health insurance, are discussed in Chapter 3 of the Handbook.

Payments/Disbursements

- Sources of Aid must include any student payments to the school from their own funds.

Data for Pro Rata *Refund and Federal Refund*

- Excludable Costs: Documented Cost of Unreturnable Equipment
    - enrollment agreement specifies equipment as unreturnable
    - covers educational charges for the amount per invoice (no markups, postage, or inventory)
- Excludable Costs: Documented Cost of Returnable Equipment not Returned within 20 Days
    - enrollment agreement specifies return requirement
    - covers educational charges for the amount per invoice (no markups, postage, or inventory)

LATE DISBURSEMENTS

	Pell	Perkins/ FSEOG	Direct Loans	FFEL
Student Requirements	• No longer enrolled for the award year	• Same as Pell	• No longer enrolled at least half-time for the loan period	• Same as Direct Loan
	• Only for educational costs incurred while still enrolled	• Same as Pell	• Same as Pell	• Same as Pell
School Requirements	• May not make late disbursements later than 90 days after student becomes ineligible	• Same as Pell	• Same as Pell	• Same as Pell
	• Before the date the student became ineligible, the school:			
	• Received a SAR or ISIR	• Same as Pell • Awarded Perkins or SEOG to the student	• Same as Pell • Created an electronic loan origination record • Only makes first disbursement unless student graduated or successfully completed program • Does not disburse to first-year, first-time borrowers who did not complete first 30 days of enrollment	• Same as Pell • Certified the loan application • Same as Direct Loan • Same as Direct Loan

Case Study - Doug

School Information

Name:	Stormont College
Academic Year:	Two 15-week semesters
Progress Measurement:	Credit hours
Charges:	By semester

Refund Policy

(State Policy)

If the student withdraws during:	The school retains:
First week	10%
Second or third week	25%
Fourth or fifth week	50%
Sixth or seventh week	75%
After seventh week	100%

Repayment Policy

For students who begin classes, 50% of the books and supplies allowance is considered to be expended (taking into account the bookstore's return policy).

All other noninstitutional costs are prorated based on the number of weeks the student completed.

Continued on next page

PRACTICE (cont'd)

Student Information

Name: Doug

Grade Level: First-Year Undergraduate

Previous Attendance at School: None

Beginning Date: September 1

Withdraw Date: October 9 (during sixth week)

Date of School Determination October 9

Cost for each term:

Tuition and fees	$6,000
Administrative fee	$ 50
Books and supplies (from store outside school)	$ 200
School's charges for room	$2,050
School's charges for board	$ 400

Aid awarded for the academic year:

Federal Pell Grant	$2,300
Stormont College Scholarship	$5,500
State Grant	$2,500
FSEOG	$ 400
Perkins	$2,124
Subsidized FFEL	$2,625

Disbursements for the 1st semester - Credit to account (all made on 9/1except FFEL):

Federal Pell Grant	$1,150
Stormont College Scholarship	$2,750
State Grant	$1,250
Perkins	$1,062
Subsidized FFEL (made on 10/1)*	$1,313

Disbursements for the 1st semester - Cash to student (9/1):

FSEOG	$ 300

Other Payments:

Cash Payment by Student to School	$ 200

*Later FFEL payment due to 30-day disbursement delay for first-time, first-year borrowers.

WARNING: DO NOT use without the accompanying instructions!!

WITHDRAWAL RECORD

1. Student Information

Doug	9/1	10/9
Name	Start Date	Withdrawal Date/LDA
999-99-9999		10/9
Social Security Number	Length of Enrollment Period	Date of WD/LDA Determination

2. Program Costs

non-inst.	inst.			non-inst.	inst.		
		Tuition/Fees	$6,000			Personal/Living	
		Administrative Fee	$50			Dependent Care	
		Room & Board	$2,450			Disability Costs	
		Books & Supplies	$200			Miscellaneous	
		Transportation				Miscellaneous	

USE TOTALS FOR PERIOD CHARGED*

TOTAL Inst. Costs: ☐ Ⓐ

TOTAL Noninst. Costs: ☐ Ⓑ

TOTAL Aid Paid To Inst. Costs: ☐ Ⓒ

TOTAL Paid To Inst. Costs: ☐ Ⓓ

TOTAL Aid Paid as Cash: ☐ Ⓔ

3. Payments/Disbursements

(Exclude work-study awards.)

DATE	SOURCE	Paid to Inst. Costs	Cash to Student	DATE	SOURCE	Paid to Inst. Costs	Cash to Student
9/1	Pell			9/1	Student		
9/1	Scholarship			9/1	FSEOG		
9/1	State Grant						
9/1	Perkins						
10/1	FFEL						

***USE TOTALS AS CHARGED FOR THE ENROLLMENT PERIOD** (The following minimums apply: for term programs, use totals for the term; for all nonterm programs longer than or equal to the academic year, use totals for the payment period or for one-half of the academic year, whichever is greater. For all nonterm programs shorter than the academic year, use totals for the program length. If you charge by different periods for different charges, convert all totals to represent the longest period.)

4. Data for Pro Rata and Federal Refund

IS THIS STUDENT A FIRST-TIME STUDENT? A first-time student is one who has not previously attended at least one class at this school, or has received a 100 percent refund (less any permitted administrative fee) for previous attendance. (A first-time student remains so until he or she withdraws after attending at least one class at the school or completes the period of enrollment.) ☐ YES ☐ NO

DID THIS STUDENT WITHDRAW ON OR BEFORE THE 60% POINT? For credit-hour programs, the 60% point is the point in calendar time when 60% of the enrollment period has elapsed. For clock-hour programs, it is the point when this particular student completes 60% of the hours scheduled for the enrollment period. ☐ YES ☐ NO

IF THE ANSWER TO BOTH QUESTIONS IS "YES," a statutory pro rata refund calculation is required for this student. For this calculation, you must determine the Portion That Remains (of the enrollment period) and the institutional costs that may be excluded, if any.

TO DETERMINE THE PORTION THAT REMAINS, calculate as follows and round **DOWN** to the nearest 10%:

- For credit-hour programs: $\frac{\text{WEEKS REMAINING}}{\text{TOTAL WEEKS IN PERIOD}}$ = ...
- For clock-hour programs:* $\frac{\text{HOURS REMAINING}}{\text{TOTAL HOURS IN PERIOD}}$ = ...
- For correspondence programs: $\frac{\text{LESSONS NOT SUBMITTED}}{\text{TOTAL LESSONS IN PERIOD}}$ = ...

*DO NOT use scheduled hours. Also, excused absences can count as "hours completed."

TO DETERMINE EXCLUDABLE INSTITUTIONAL COSTS:

- Administrative Fee (up to $100 or 5%, whichever is less) .... +
- Documented Cost of Unreturnable Equipment .... +
- Documented Cost of Returnable Equipment (if not returned in good condition within 20 days of withdrawal) .... +

TOTAL EXCLUDABLE INST. COSTS (for Pro Rata and Federal Refund calculations only): =

.... Ⓐ − .... = ☐ A1

Total Institutional Costs − Total Excludable Inst. Costs = Pro Rata/Federal Refund Institutional Costs

PRACTICE (cont'd)

Doug's Refund Worksheet

Unpaid Charges

______________ **Total institutional costs (A)**

- ______________ **Total paid to institutional costs (D)**

= ______________ **UNPAID CHARGES**

***Pro Rata* Refund Calculation**

______________ **Institutional costs (A1)**

x ______________ **% to be refunded (portion that remains)**

= ______________ **Initial refund**

- ______________ **Unpaid charges**

= ______________ **REFUND AMOUNT**

PRACTICE (cont'd)

State Refund Calculation

Step 1:

__________ **Institutional costs (A)**

x __________ **% school may retain (from state policy)**

= __________ **Initial amount retained by school**

- __________ **Unpaid charges**

= __________ **Amount school retains**

Step 2:

__________ **Total paid to institutional costs (D)**

- __________ **Amount school retains**

= __________ **REFUND AMOUNT**

PRACTICE (cont'd)

Doug's Refund Distribution

1. Federal SLS Loan ______________
2. Unsubsidized FFEL ______________
3. Subsidized FFEL ______________
4. Federal PLUS Loan ______________
5. Unsubsidized Federal Direct Loan ______________
6. Subsidized Federal Direct Loan ______________
7. Federal Direct PLUS Loan ______________
8. Federal Perkins Loan ______________
9. Federal Pell Grant ______________
10. FSEOG ______________
11. Other Title IV programs ______________
12. Other federal, state, private, or institutional ______________
13. The student ______________

REPAYMENT CALCULATION WORKSHEET

STEP ONE

Living Expenses Incurred

Because schools' repayment policies differ, this step can be calculated two ways: the total noninstitutional costs ("B" from Withdrawal Record) may be retained at a flat percentage, or the itemized costs (listed on Withdrawal Record) may be retained at differing rates and then totalled.

	NONINST. COSTS (from Withdrawal Record)			EXPENSES ACTUALLY INCURRED (from school's repayment policy)
Room & Board		X	=	
Books & Supplies	$200	X	=	
Transportation		X	=	
Personal/Living/Misc.		X	=	
TOTAL COSTS Ⓑ		X	=	TOTAL INCURRED

STEP TWO

Cash Paid to Student

*FFEL and Direct Loan funds are excluded from repayment—the student is already obligated to repay these funds to the lender.

	$200	Total Aid Paid as Cash (from Withdrawal Record) Ⓔ
—	0	Cash Paid from FFEL/Direct Funds*
=	$200	TOTAL CASH DISBURSED

STEP THREE

Repayment Amount

Funds must be returned to the appropriate program account(s) within 30 days of the student's repayment to the school.

	$200	Total Cash Paid to Student (from Step Two)
—		Total Costs Incurred (from Step One)
=		REPAYMENT AMOUNT TO BE DISTRIBUTED

If this amount is less than $100, the student owes no repayment.

REPAYMENT DISTRIBUTION—Prescribed by Regulation

TOTAL REPAYMENT

1. Federal Perkins Loan
2. Federal Pell Grant
3. FSEOG
4. Other Title IV Aid Programs
5. Other Federal, State, private, or institutional aid

BACK AT THE OFFICE

Back at the office, you should:

- Become familiar with the refund policies your school uses.
- Find out policies your school uses to calculate costs incurred for repayment purposes.
- Read DCL GEN-95-22.
- ____
- ____
- ____

* = blank in "Practice" section

WARNING: DO NOT use without the accompanying instructions!!

WITHDRAWAL RECORD

1. Student Information

Name: Doug
Start Date: 9/1
Withdrawal Date/LDA: 10/9
Social Security Number: 999-99-9999
Length of Enrollment Period: * 15 weeks
Date of WD/LDA Determination: 10/9

2. Program Costs

	inst.	non-inst.			inst.	non-inst.	
*	X		Tuition/Fees $6,000				Personal/Living
*	X		Administrative Fee $50				Dependent Care
*	X		Room & Board $2450				Disability Costs
*		X	Books & Supplies $200				Miscellaneous
			Transportation				Miscellaneous

USE TOTALS FOR PERIOD CHARGED*

TOTAL Inst. Costs: $8,500 Ⓐ *
TOTAL Noninst. Costs: $200 Ⓑ *

3. Payments/Disbursements

(Exclude work-study awards.)

DATE	SOURCE	Paid to Inst. Costs	Cash to Student	DATE	SOURCE	Paid to Inst. Costs	Cash to Student
9/1	Pell	$1,150 *		9/1	Student	$500 *	
9/1	Scholarship	$2,750 *		9/1	FSEOG		$200 *
9/1	State Grant	$1,250 *					
9/1	Perkins	$1,062 *					
10/1	FFEL	$1,313 *					

TOTAL Aid Paid To Inst. Costs: $7,525 Ⓒ *
TOTAL Paid To Inst. Costs: $8,025 Ⓓ *
TOTAL Aid Paid as Cash: $200 Ⓔ *

***USE TOTALS AS CHARGED FOR THE ENROLLMENT PERIOD** (The following minimums apply: for term programs, use totals for the term; for all nonterm programs longer than or equal to the academic year, use totals for the payment period or for one-half of the academic year, whichever is greater. For all nonterm programs shorter than the academic year, use totals for the program length. If you charge by different periods for different charges, convert all totals to represent the longest period.)

4. Data for Pro Rata and Federal Refund

IS THIS STUDENT A FIRST-TIME STUDENT? A first-time student is one who has not previously attended at least one class at this school, or has received a 100 percent refund (less any permitted administrative fee) for previous attendance. (A first-time student remains so until he or she withdraws after attending at least one class at the school or completes the period of enrollment.) * ☑ YES ☐ NO

DID THIS STUDENT WITHDRAW ON OR BEFORE THE 60% POINT? For credit-hour programs, the 60% point is the point in calendar time when 60% of the enrollment period has elapsed. For clock-hour programs, it is the point when this particular student completes 60% of the hours scheduled for the enrollment period. * ☑ YES ☐ NO

IF THE ANSWER TO BOTH QUESTIONS IS "YES," a statutory pro rata refund calculation is required for this student. For this calculation, you must determine the Portion That Remains (of the enrollment period) and the institutional costs that may be excluded, if any.

TO DETERMINE THE PORTION THAT REMAINS, calculate as follows and round **DOWN** to the nearest 10%.

- For credit-hour programs: $\frac{\text{WEEKS REMAINING}}{\text{TOTAL WEEKS IN PERIOD}} = \frac{9}{15}$ *
- For clock-hour programs:* $\frac{\text{HOURS REMAINING}}{\text{TOTAL HOURS IN PERIOD}} =$ ……
- For correspondence programs: $\frac{\text{LESSONS NOT SUBMITTED}}{\text{TOTAL LESSONS IN PERIOD}} =$ ……

*DO NOT use scheduled hours. Also, excused absences can count as "hours completed."

TO DETERMINE EXCLUDABLE INSTITUTIONAL COSTS:

- Administrative Fee (up to $100 or 5%, whichever is less) + $50 *
- Documented Cost of Unreturnable Equipment +
- Documented Cost of Returnable Equipment (if not returned in good condition within 20 days of withdrawal) +

TOTAL EXCLUDABLE INST. COSTS (for Pro Rata and Federal Refund calculations only): = $50 *

$8,500 * Ⓐ (Total Institutional Costs) — $50 * (Total Excludable Inst. Costs) = Pro Rata/Federal Refund Institutional Costs: $8,450 Ⓐ1 *

ANSWER KEY

Doug's Refund

Unpaid Charges

	$ 8,500	Total institutional costs (A)
-	$ 8,025	Total paid to institutional costs (D)
=	$ 475	UNPAID CHARGES

Pro Rata Refund Calculation

	$ 8,450	Institutional costs (A1)
x	60%	% to be refunded (portion that remains)
=	$ 5,070	Initial refund
-	$ 475	Unpaid charges
=	$ 4,595	REFUND AMOUNT

ANSWER KEY (cont'd)

State Refund Calculation

Step 1:

	$ 8,500	Institutional costs (A)
x	75%	% School may retain (from state policy)
=	$ 6,375	Initial amount retained by school
-	$ 475	Unpaid charges
=	$ 5,900	Amount School Retains

Step 2:

	$ 8,025	Total Paid to Institutional Costs (D)
-	$ 5,900	Amount school retains
=	$ 2,125	REFUND AMOUNT

ANSWER KEY (cont'd)

Doug's Refund Distribution

1. Federal SLS Loan	
2. Unsubsidized FFEL	
3. Subsidized FFEL	$ 1,313
4. Federal PLUS Loan	
5. Unsubsidized Federal Direct Loan	
6. Subsidized Federal Direct Loan	
7. Federal Direct PLUS Loan	
8. Federal Perkins Loan	$ 1,062
9. Federal Pell Grant	$ 1,150
10. FSEOG	$ 200
11. Other Title IV programs	$
12. Other federal, state, private, or institutional	$ 870
13. The student	

* = blank in "Practice" section

REPAYMENT CALCULATION WORKSHEET

STEP ONE
Living Expenses Incurred

Because schools' repayment policies differ, this step can be calculated two ways: the total noninstitutional costs ("B" from Withdrawal Record) may be retained at a flat percentage, or the itemized costs (listed on Withdrawal Record) may be retained at differing rates and then totalled.

	NONINST. COSTS (from Withdrawal Record)		EXPENSES ACTUALLY INCURRED (from school's repayment policy)		
Room & Board		X		=	
Books & Supplies	$200	X	50%*	=	$100*
Transportation		X		=	
Personal/Living/Misc.		X		=	
TOTAL COSTS Ⓑ		X		=	$100* TOTAL INCURRED

STEP TWO
Cash Paid to Student

*FFEL and Direct Loan funds are excluded from repayment—the student is already obligated to repay these funds to the lender.

	$200	Total Aid Paid as Cash (from Withdrawal Record) Ⓔ
−	0	Cash Paid from FFEL/Direct Funds*
=	$200	TOTAL CASH DISBURSED

STEP THREE
Repayment Amount

Funds must be returned to the appropriate program account(s) within 30 days of the student's repayment to the school.

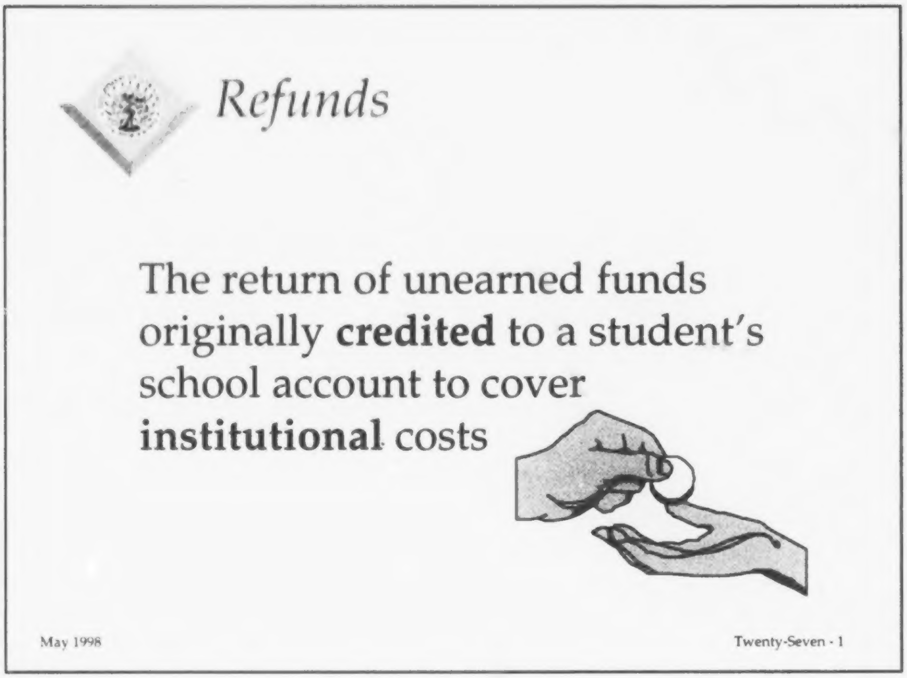
	$200	Total Cash Paid to Student (from Step Two)
−	$100 *	Total Costs Incurred (from Step One)
=	$100 *	REPAYMENT AMOUNT TO BE DISTRIBUTED

If this amount is less than $100, the student owes no repayment.

REPAYMENT DISTRIBUTION—Prescribed by Regulation

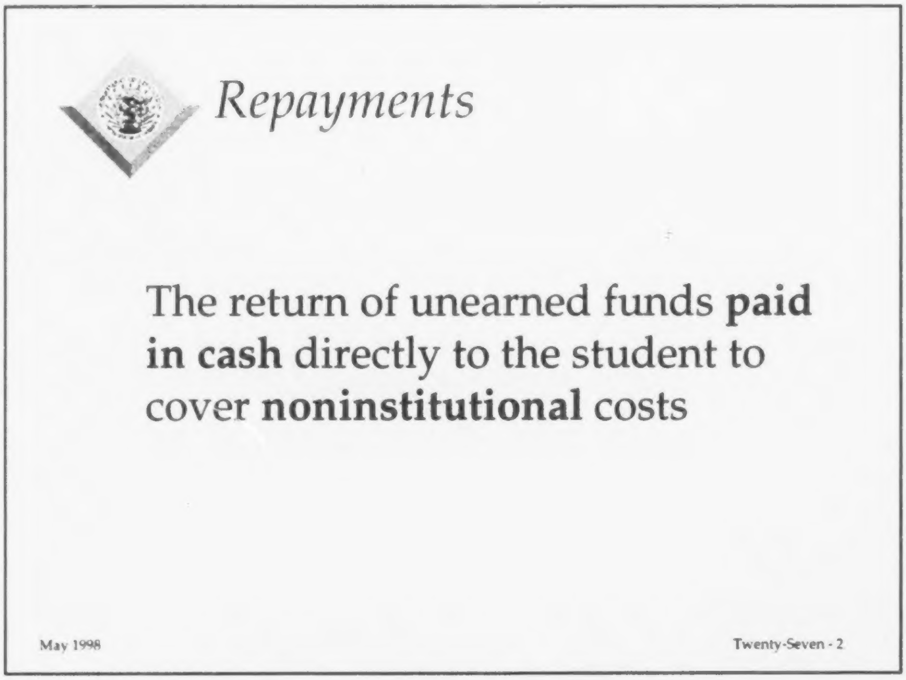
TOTAL REPAYMENT

1. Federal Perkins Loan
2. Federal Pell Grant
3. FSEOG
4. Other Title IV Aid Programs
5. Other Federal, State, private, or institutional aid $100 *



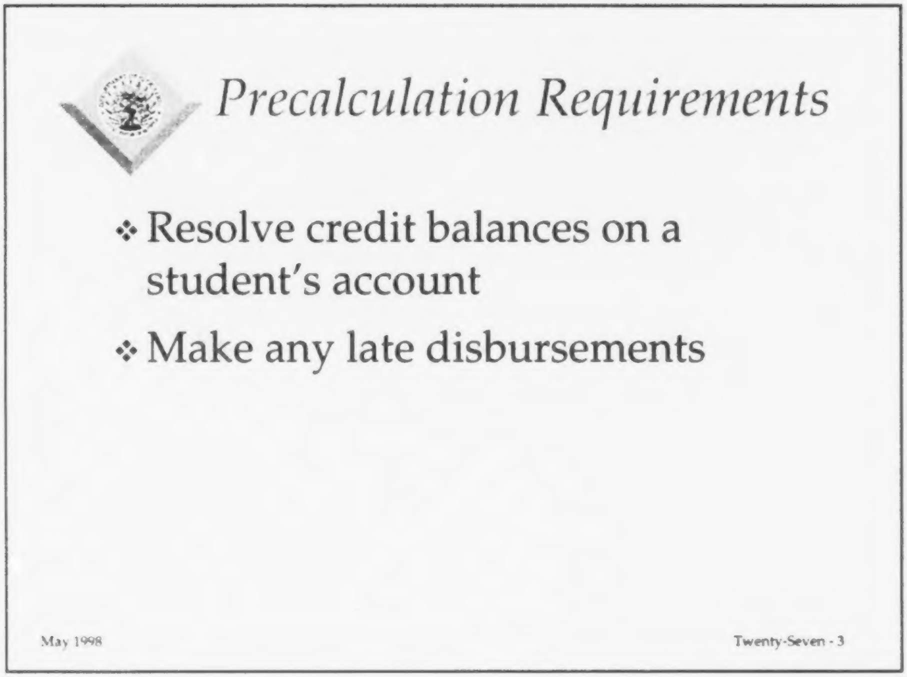
Refunds

The return of unearned funds originally **credited** to a student's school account to cover **institutional** costs



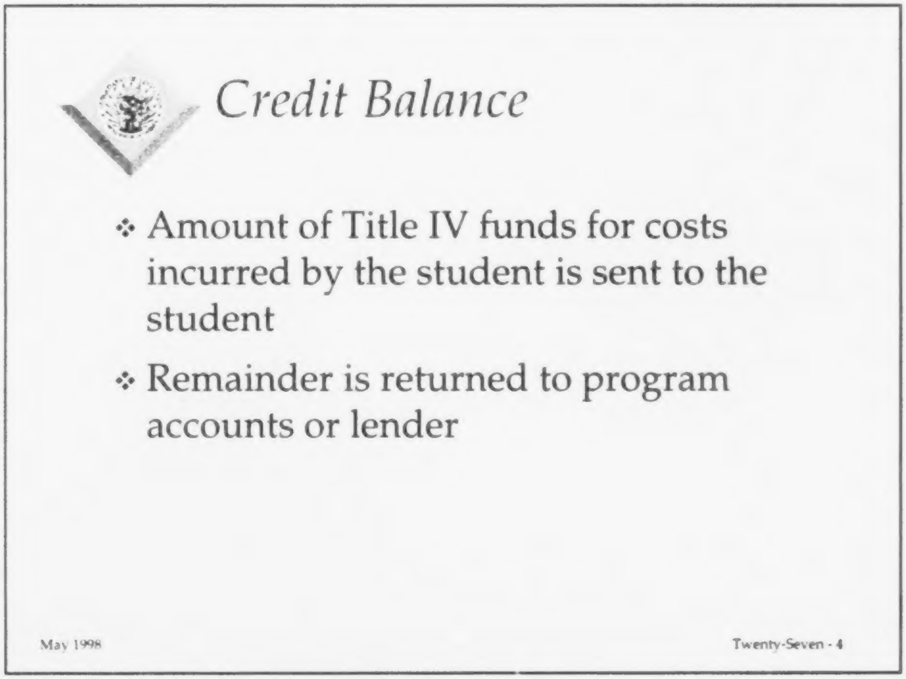
Repayments

The return of unearned funds **paid in cash** directly to the student to cover **noninstitutional** costs



Precalculation Requirements

- Resolve credit balances on a student's account
- Make any late disbursements



Credit Balance

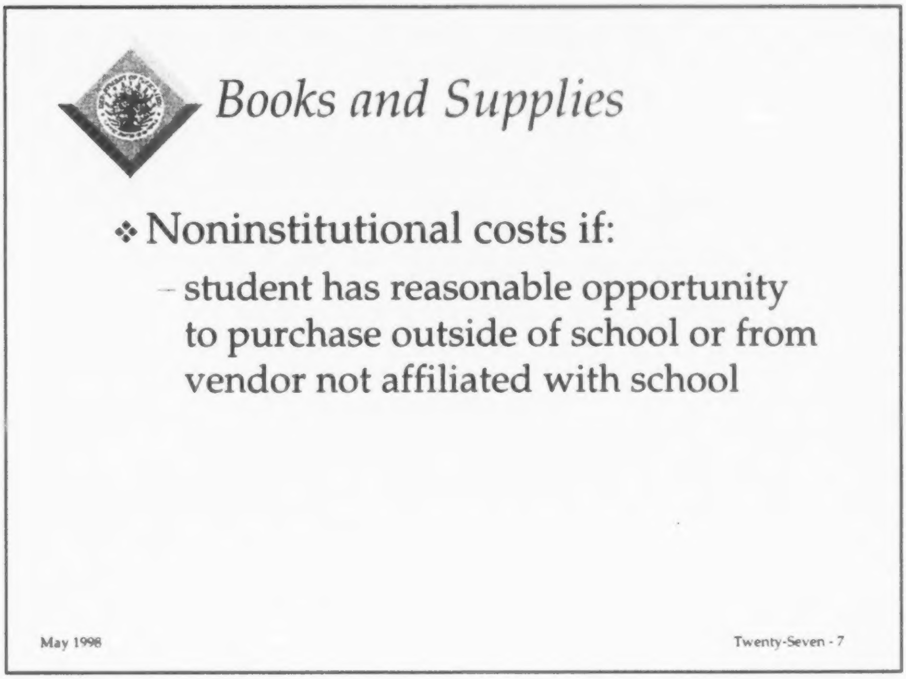
- Amount of Title IV funds for costs incurred by the student is sent to the student
- Remainder is returned to program accounts or lender

Late Disbursements

- School always required to pay any FWS earned
- Disbursement optional for Pell, FSEOG, Perkins, Direct, FFEL, and state aid
- Institutional or private aid sources not considered

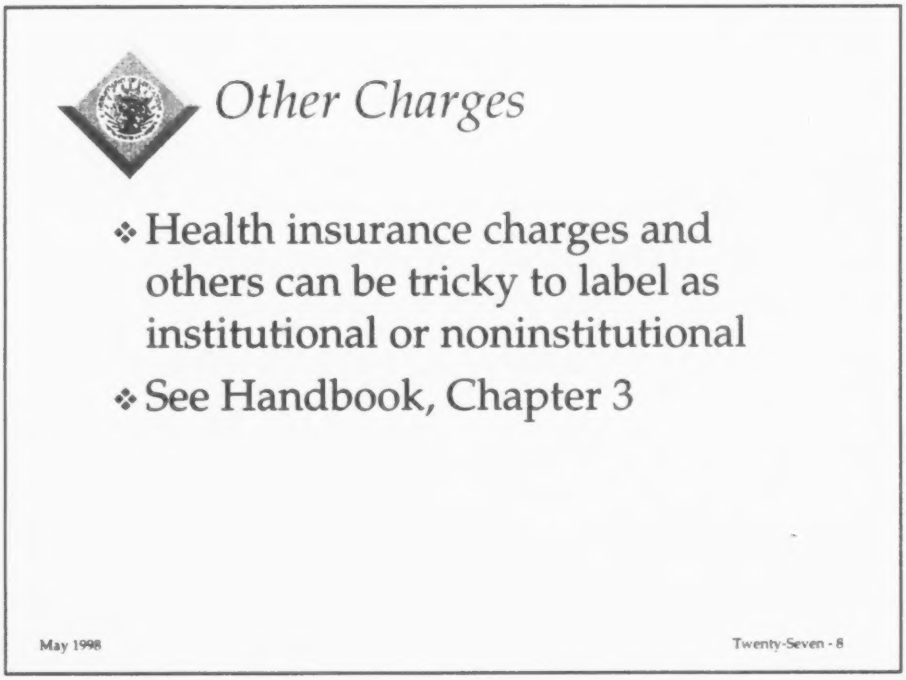
Room and Board

- Noninstitutional costs if:
  - student pays source other than school **or**
  - charges passed through school



Books and Supplies

- Noninstitutional costs if:
  - student has reasonable opportunity to purchase outside of school or from vendor not affiliated with school



Other Charges

- Health insurance charges and others can be tricky to label as institutional or noninstitutional
- See Handbook, Chapter 3

Doug's Total Costs

(A) Institutional - $8,500

(B) Noninstitutional - $200

Payments/Disbursements for Institutional Costs

❖ $1,150	-	Pell
❖ $2,750	-	Scholarship
❖ $1,250	-	State grant
❖ $1,062	-	Perkins
❖ $1,313	-	Subsidized FFEL
❖ $ 500	-	The student

Payments/Disbursements for Noninstitutional Costs

$200 from FSEOG paid in cash to the student

Total Payments/ Disbursements

(C) Total Aid Paid to Inst. Costs—$7,525

(D) Total Paid to Inst. Costs—$8,025

(E) Total Aid Paid as Cash—$200

Doug's Portion that Remains

9 weeks remaining
15 weeks in period for
which student was charged

or

60%

Pro Rata/Federal Refund Institutional Costs

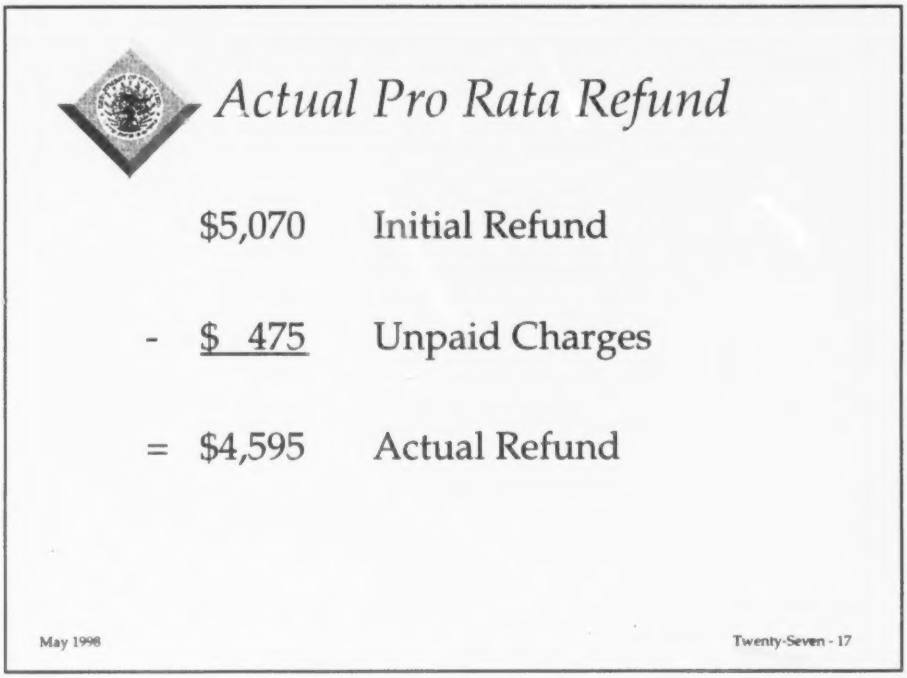
- Excludable Costs:
  - $50 administrative fee
  - $8,500 (A) - $50 = $8,450 (A1)

Unpaid Charges

	$8,500	Total Inst. Costs (A)
-	$8,025	Total Paid to IC (D)
=	$ 475	Unpaid Charges

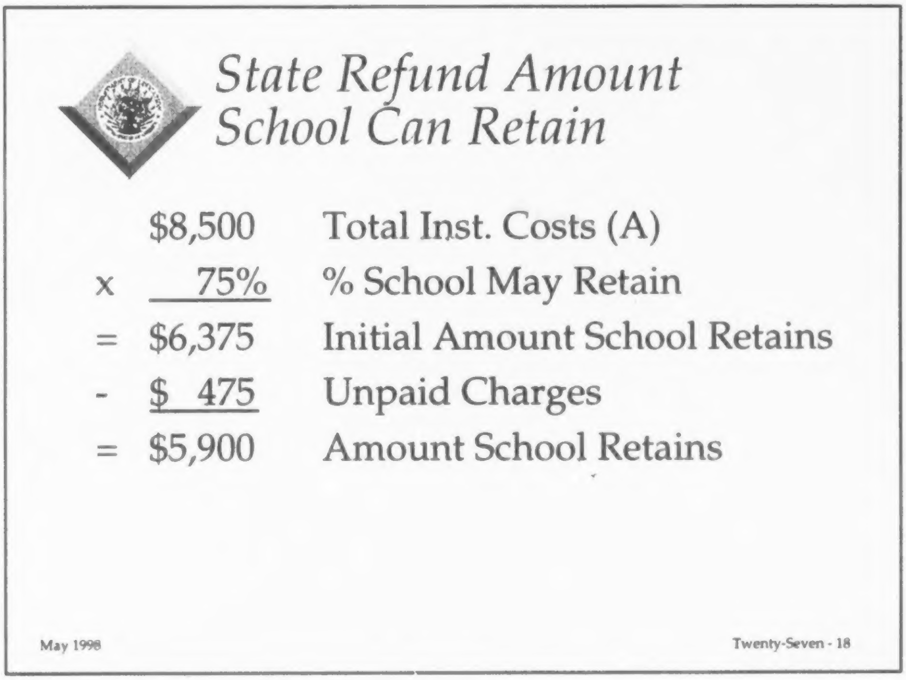
Initial Refund Amount

	$8,450	*Pro Rata* IC (A1)
x	60%	Portion that Remains
=	$5,070	Initial Refund Amount



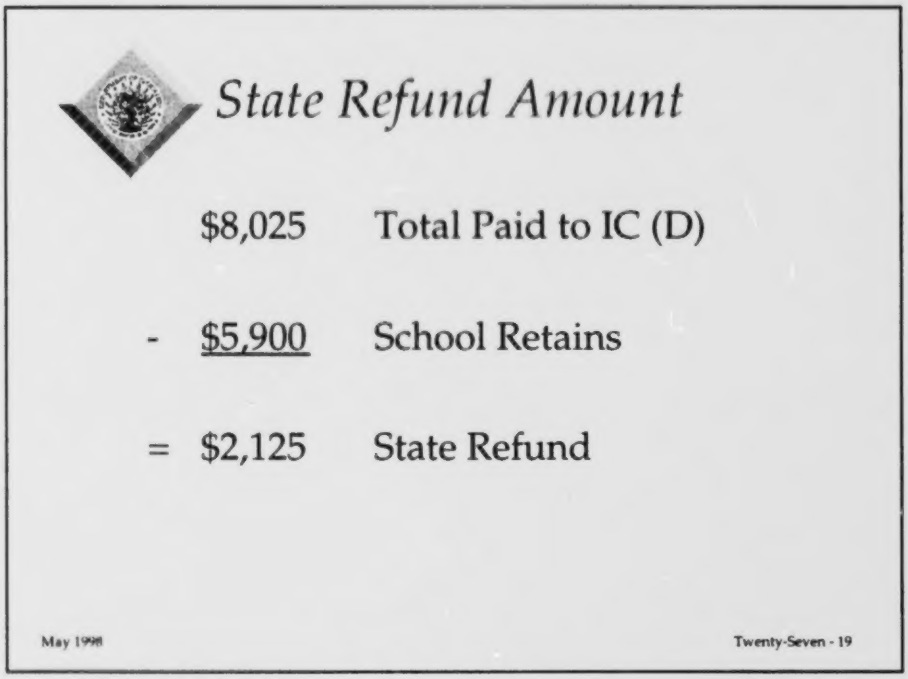
Actual Pro Rata Refund

	$5,070	Initial Refund
-	$ 475	Unpaid Charges
=	$4,595	Actual Refund



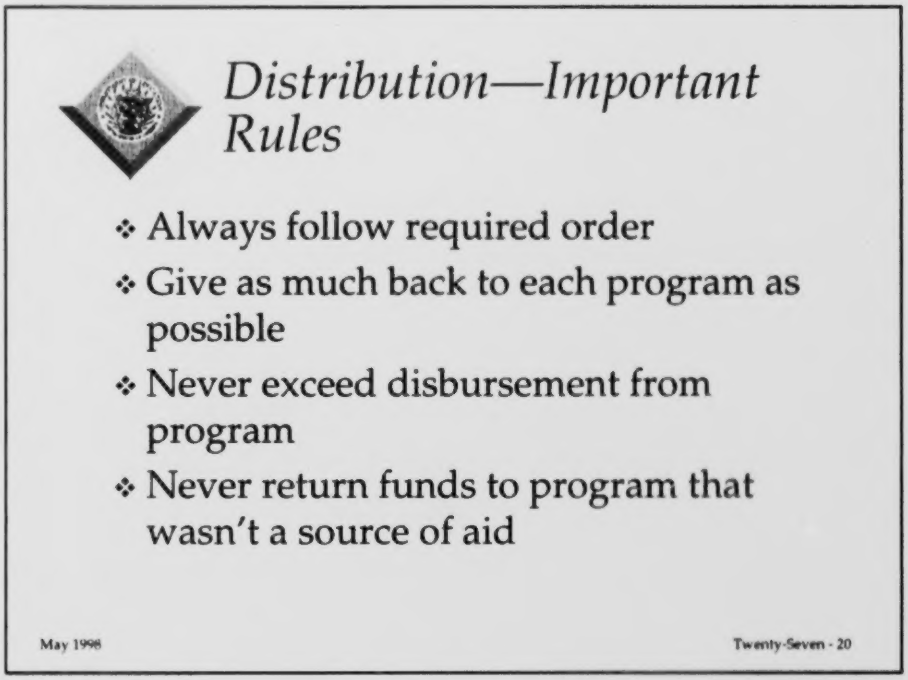
State Refund Amount School Can Retain

	$8,500	Total Inst. Costs (A)
x	75%	% School May Retain
=	$6,375	Initial Amount School Retains
-	$ 475	Unpaid Charges
=	$5,900	Amount School Retains



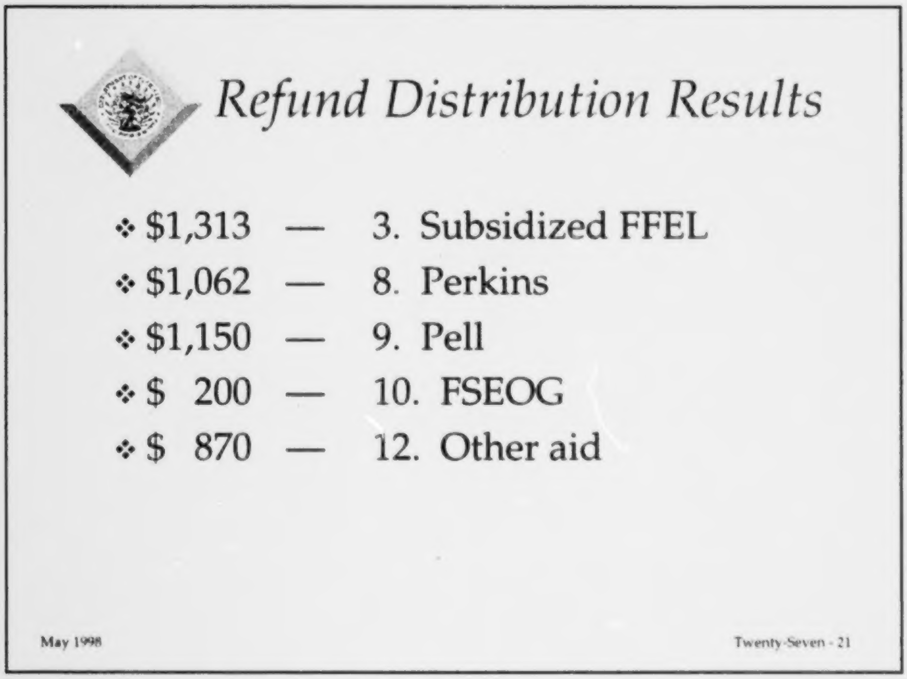
State Refund Amount

	$8,025	Total Paid to IC (D)
-	$5,900	School Retains
=	$2,125	State Refund



Distribution—Important Rules

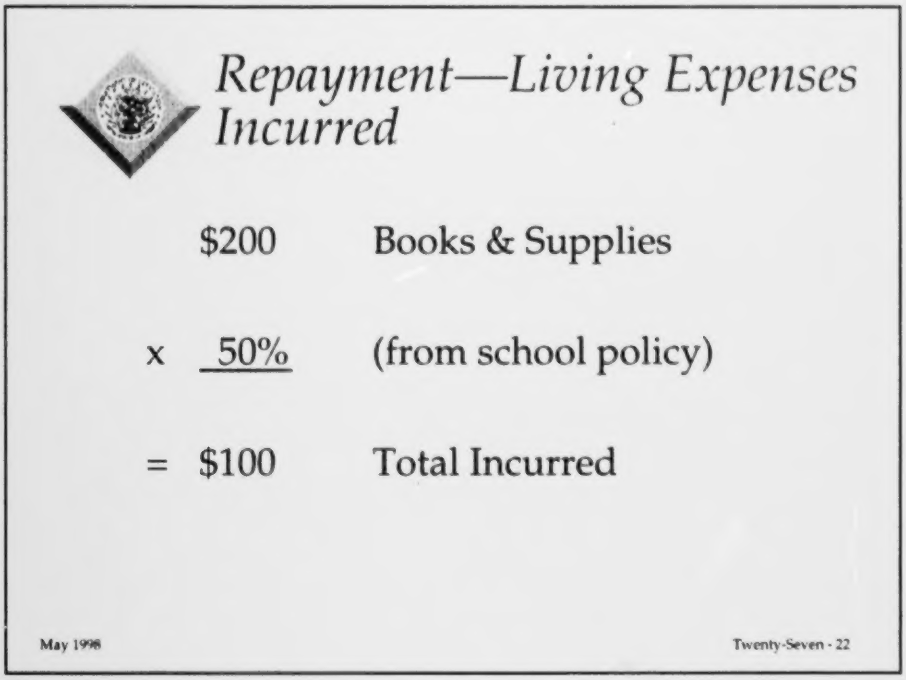
- Always follow required order
- Give as much back to each program as possible
- Never exceed disbursement from program
- Never return funds to program that wasn't a source of aid



Refund Distribution Results

❖ $1,313	—	3. Subsidized FFEL
❖ $1,062	—	8. Perkins
❖ $1,150	—	9. Pell
❖ $ 200	—	10. FSEOG
❖ $ 870	—	12. Other aid

May 1998 Twenty-Seven - 21



Repayment—Living Expenses Incurred

	$200	Books & Supplies
x	50%	(from school policy)
=	$100	Total Incurred

May 1998 Twenty-Seven - 22

Repayment Amount

	$200	Cash to Student
-	$100	Total Costs Incurred
=	$100	Repayment Amount

Repayment Distribution

- $100 — 5. Other sources

All other program accounts have been satisfied

Session 28 - Financial Aid Administrator Presentation and Evaluation

By the end of this session, you will be able to:

- ***identify proficiency issues of importance to Title IV financial aid administrators and***
- ***provide feedback on the workshop.***

NEED TO KNOW

To become fully proficient as financial aid administrators, you must build on this information base by:

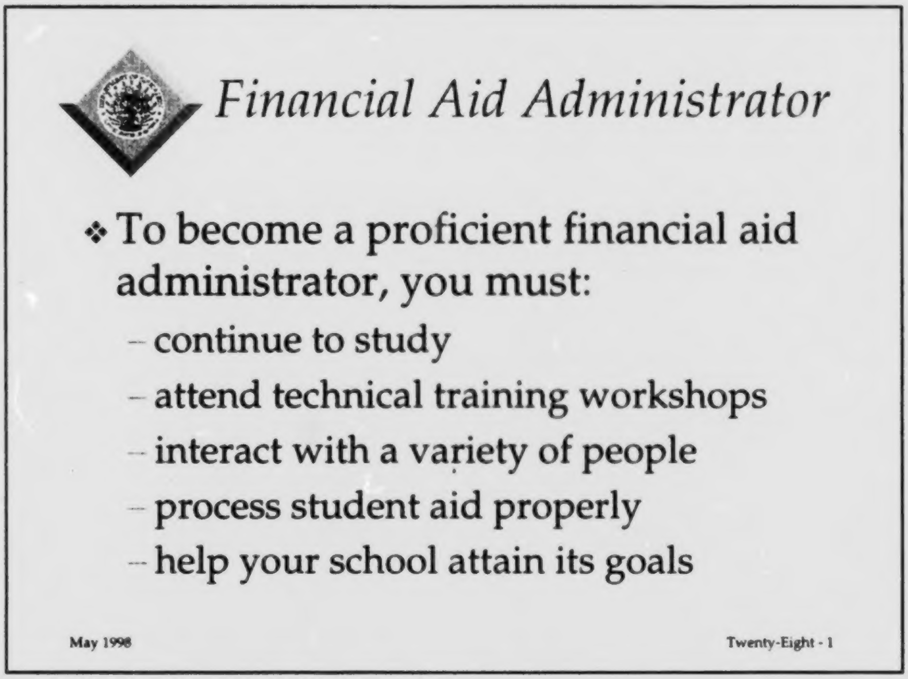
- continuing to study
- attending technical training workshops
- interacting with a variety of people
- processing student aid properly
- helping your school attain its goals

EVALUATING THE WORKSHOP

Please complete the voluntary "Training Assessment" form and leave it with the instructors.

Thank you for attending this workshop!

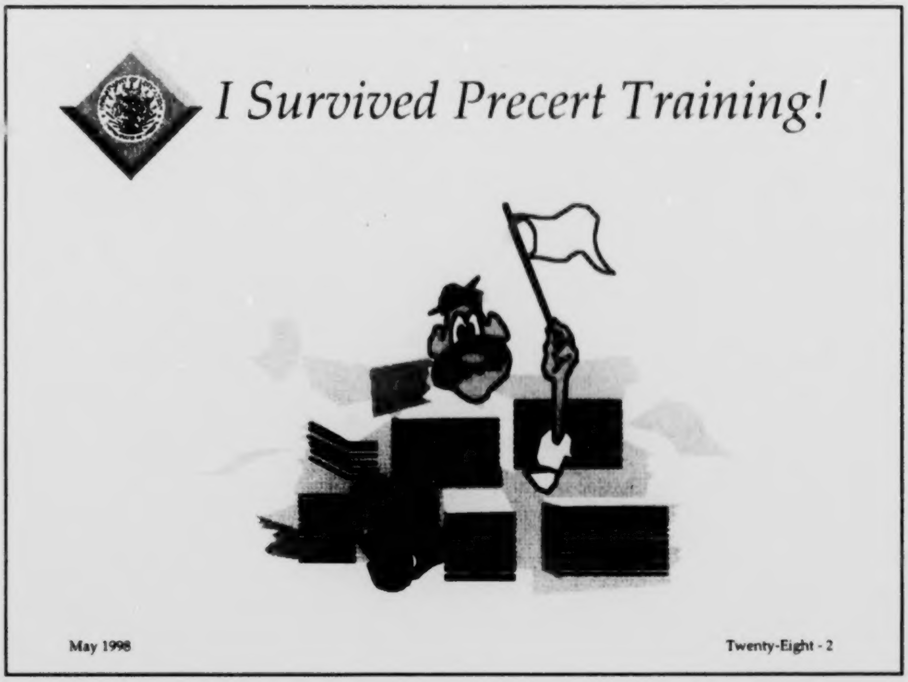
BEST COPY AVAILABLE



Financial Aid Administrator

- To become a proficient financial aid administrator, you must:
  - continue to study
  - attend technical training workshops
  - interact with a variety of people
  - process student aid properly
  - help your school attain its goals

May 1998 Twenty-Eight - 1



I Survived Precert Training!

May 1998 Twenty-Eight - 2

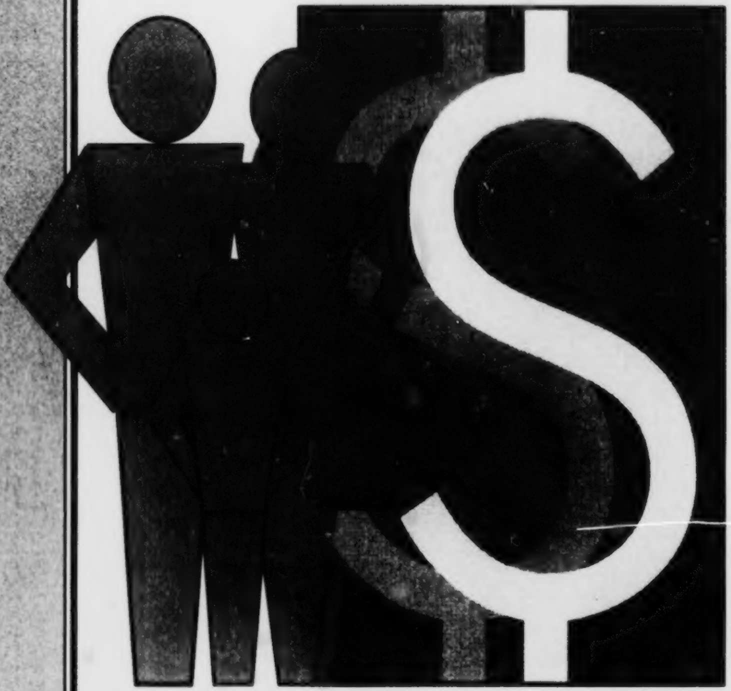
Thank You...

- For attending this workshop!

May 1998

Twenty-Eight - 3

Appendices



Training and Program Information Division
Student Financial Assistance Programs
Office of Postsecondary Education
U. S. Department of Education

APPENDICES

Contents

Acronyms—Appendix A.....A-1

Glossary—Appendix B.....B-1

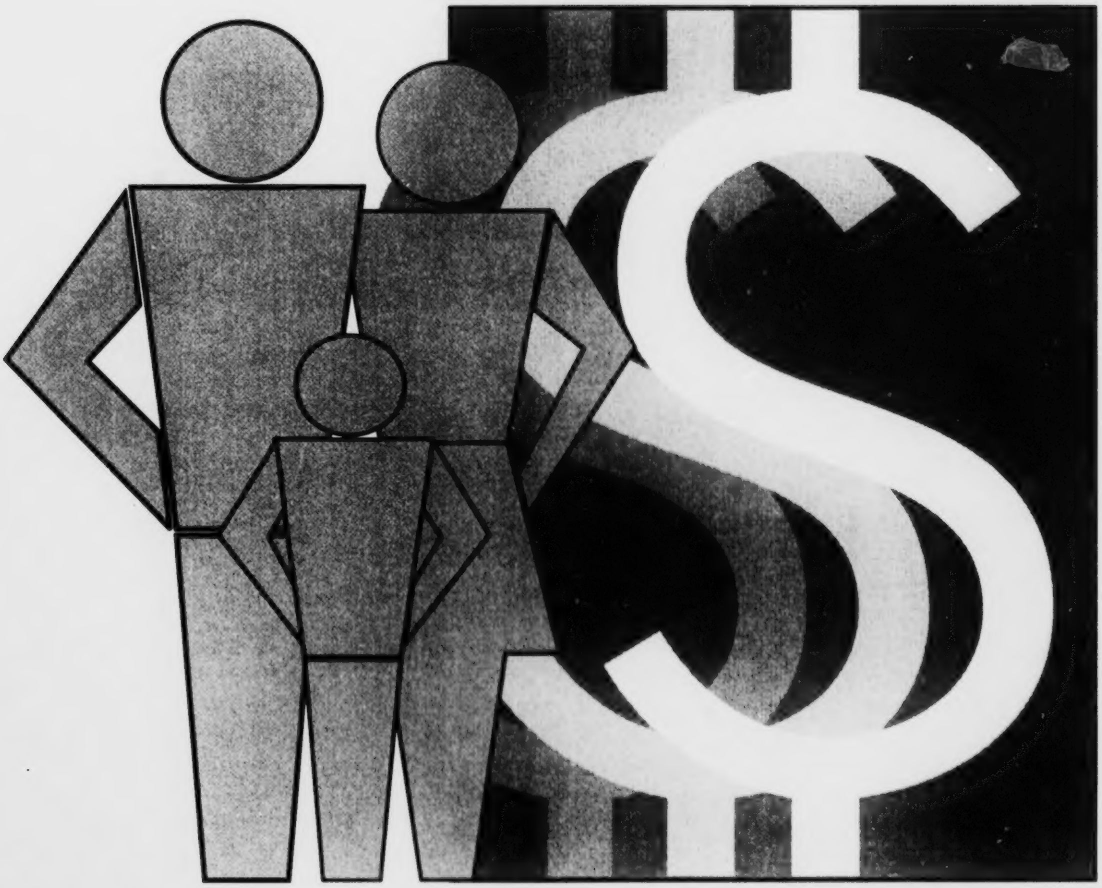
Financial Aid Resources—Appendix C.....C-1

Sources and Citations—Appendix D.....D-1

Financial Aid Calendar—Appendix E.....E-1

Acronyms

Appendix A



Training and Program Information Division
Student Financial Assistance Programs
Office of Postsecondary Education
U.S. Department of Education

Acronyms - Appendix A

The symbol Δ indicates acronyms that are no longer in use but are provided for your information.

-A-

AAI Adjusted Available Income

ACA Administrative Cost Allowance

ACCSCT Accrediting Commission for Career Schools and Colleges of Technology

ACH/EFT Automated Clearinghouse/Electronic Funds Transfer

ACICS Accrediting Council for Independent Colleges and Schools

ACN Audit Control Number

ACT American College Testing

ADC Aid to Dependent Children

ADP Automated Data Processing

AFDC Aid to Families with Dependent Children

AGI Adjusted Gross Income

AI Available Income

AICPA American Institute of Certified Public Accountants

AICS Δ The Association of Independent Colleges and Schools (consolidated with NATTS in the fall of 1991 to form the CCA)

ANN Announcement "Dear Colleague" Letters

AOS Application Ordering System

APA [Educational Savings and] Asset Protection Allowance

APC Adjusted Parents' Contribution

ATB Ability to Benefit

ATI Available Taxable Income

AVR Automated Voice Response

AY Academic Year

-B-

BBAY Borrower-Based Academic Year

BBS (See *SFA BBS*)

-C-

CAN Common Accounting Number

CAP Corrective Action Plan

CB Campus-based programs and campus-based "Dear Colleague" Letter

CBO Congressional Budget Office

CCA Career College Association

CEO Chief Executive Officer

CFAR Δ Comprehensive Financial Aid Report (American College Testing)

CFR Code of Federal Regulations

CM Δ Congressional Methodology

COA Cost of Attendance

COHEAO Coalition of Higher Education Assistance Organizations

CPA Certified Public Accountant

CPS Central Processing System

CR Credit

CS/JLD Δ Community Service Job Location and Development Program (formerly a separate program, but its functions are now part of the Job Location and Development [JLD] Program under the FWS Program)

CSL Community Service Learning Program (formerly a separate program, but its functions are now part of the FWS Program)

CSS College Scholarship Service

CT Central Time

CTI Contribution from Taxable Income

CWS Δ College Work-Study (now called Federal Work-Study or FWS Program)

-D-

DCL "Dear Colleague" Letter

DCS Debt Collection Service

DIC Dependency and Indemnity Compensation

DL Direct Loan "Dear Colleague" Letter

DMRS Deposit Message Retrieval System

DNW Discretionary Net Worth

DR Debit

DRN Data Release Number

DRAP Default Reduction Assistance Program

-E-

EA Employment Allowance

EAC Electronic Access Code

EADA Equity in Athletics Disclosure Act of 1994

EASFAA Eastern Association of Student Financial Aid Administrators

EASI [Project] Easy Access for Students and Institutions

ED U.S. Department of Education

EDCAPS ED Central Automated Processing System

EDE Electronic Data Exchange

EDGAR Department of Education General Administration Regulations

EFA Estimated Financial Assistance

EFC Expected Family Contribution

EFN Exceptional Financial Need

EFT Electronic Funds Transfer (See also *ACH/EFT*)

EIN Entity Identification Number

ELO Expanded Lending Option

EOC Educational Opportunity Center

EPPD Electronic Pell Payment Data

EPPPD Electronic Processed Pell Payment Data

EPI Electronic Payment Information

EPPV Δ Electronic Processed Payment Voucher (now called Processed Payment Data [PPD])

EPV Δ Electronic Payment Voucher (now called Payment Data)

ESAR Δ Electronic Student Aid Report (now called Institutional Student Information Record [ISIR])

ESOA Electronic Statement of Account

EST Eastern Standard Time

ET Eastern Time

-F-

FAA Financial Aid Administrator

FAD Final Audit Determination

FADHPS Financial Assistance for Disadvantaged Health Professions Students

FAFSA Free Application for Federal Student Aid

FAO Financial Aid Office *or* Financial Aid Officer

FAT Financial Aid Transcript

FC Δ Family Contribution (a former term for the Expected Family Contribution [EFC])

FCC Federal Capital Contribution

FEDWIRE (Automated FEDWIRE) U.S. Treasury Financial Communication System/Deposit Message Retrieval System *or* Federal Reserve Communications System (not a U.S. Treasury wire transfer system)

FERPA Family Education Rights and Privacy Act

FFEL Federal Family Education Loan

FFY Federal Fiscal Year

FIPSE Fund for the Improvement of Postsecondary Education (in the U.S. Department of Education)

FISAP The Fiscal Operations Report and Application to Participate in Campus-Based Programs (FSEOG, FWS, and Federal Perkins Loan Programs)

FISL Federal Insured Student Loan (no new loans are issued, but old ones are still being collected)

FLD Final Letter of Determination

FMS Δ Financial Management Service for ED/PMS (in the U.S. Department of Education; now called Financial Services [FS])

FO Fiscal Officer

FPL Federal Perkins Loan

FRB Federal Reserve Bank

FRCS Federal Reserve Communications System

FROE Final Report of Expenditures

FS Financial Services (in the U.S. Department of Education; formerly called Accounting and Financial Management Services [AFMS] and Financial Management Service [FMS])

FSEOG Federal Supplemental Educational Opportunity Grant (formerly SEOG)

FT Full Time

FTS Federal Telecommunications System

FWS Federal Work-Study (formerly College Work-Study [CWS]) Program

FY Fiscal Year

-G-

G Guaranty Agency "Dear Colleague" Letter

GA Guaranty Agency

GAO General Accounting Office

GAPS Grant Administration & Payment System

GAS Government Auditing Standards

GED General Education Development Certificate

GEIS GE Information Services (EDE network provider)

GEN General "Dear Colleague" Letter

GLOS Guarantor and Lender Oversight Staff (in the U.S. Department of Education)

GPA Grade Point Average

GPO Government Printing Office

GSL Δ Guaranteed Student Loan (formerly referred to as a specific type of loan, now renamed Federal Stafford Loan; also formerly used as a general term for the Stafford, SLS, PLUS, and Consolidation Loan Programs, now renamed the Federal Family Education Loan [FFEL] Program)

-H-

HBCUs Historically Black Colleges and Universities

HEA Higher Education Act of 1965, as amended

HEAL Health Education Assistance Loan

HPSL Health Professions Student Loan Program

-I-

IAM Integrated Application Menu

ICC Institutional Capital Contribution

ICR Income Contingent Repayment Plan

IDPS Institutional Default Prevention System

IFAP Information for Financial Aid Professionals

IHE Institution of Higher Education

INS Immigration and Naturalization Service

IPA Income Protection Allowance

IPEDS Integrated Postsecondary Education Data System, an annual report to ED filed by an institution (This was preceded by the Higher Education General Information Survey [HEGIS] report)

IPOS Institutional Participation and Oversight Service (in the U.S. Department of Education)

IPS Institutional Payment Summary (for Federal Pell Grants)

IQAP Δ Institutional Quality Assurance Program (in the U.S. Department of Education; now called Quality Assurance Program)

IRA Individual Retirement Account

IRQF Information Request Form

IRS Internal Revenue Service

IRVF Information Review Form

ISAMS Integrated Student Aid Management System

ISIR Institutional Student Information Record

IVR Interactive Voice Response (ED/PMS) request mode

-J-

JLD Job Location and Development Programs

JTPA Job Training Partnership Act

-K-

No entries

-L-

L FFEL Program "Dear Colleague" Letter for lenders

LAN Local Area Network

LD Limited Distribution "Dear Colleague" Letter

LDA Last Day of Attendance

LEEP Δ Law Enforcement Education Program

LOA Leave of Absence *or* Letter of Application

LOE Level of Expenditure

LS&T Limitation, Suspension, or Termination

-M-

MASFAA Midwest Association of Student Financial Aid Administrators

MDE Δ Multiple Data Entry

MISAA Middle Income Student Assistance Act of 1978

-N-

NAACS National Association of Accredited Cosmetology Schools

NACCAS National Accrediting Commission of Cosmetology Arts and Sciences

NACUBO National Association of College and University Business Officers

NAS Need Analysis Servicer *or* Need Analysis System

NASEA National Association of Student Employment Administrators

NASFAA National Association of Student Financial Aid Administrators

NATTS Δ National Association of Trade and Technical Schools (consolidated with AICS in the fall of 1991 to form the CCA)

NCHELP National Council of Higher Education Loan Programs

NCS National Computer Systems

NDEA National Defense Education Act

NDSL National Direct Student Loan Program *or* National Defense Student Loan Program

NFC National Finance Center

NIH National Institutes of Health

NPRM Notice of Proposed Rulemaking

NRM Negotiated Rulemaking

NSF Non-Sufficient Funds

NSLDS National Student Loan Data System

NSSP National Science Scholars Program (no funding beginning 1996-97)

-O-

OC Object Classification Code

OCFO Office of the Chief Financial Officer

OCR Office for Civil Rights (in the U.S. Department of Education)

OGC Office of the General Counsel (in the U.S. Department of Education)

OIG Office of the Inspector General (in the U.S. Department of Education)

OMB Office of Management and Budget

OPE Office of Postsecondary Education (in the U.S. Department of Education)

OPM Office of Personnel Management

OSFA Δ Office of Student Financial Assistance (in the U.S. Department of Education; now called Student Financial Assistance Programs [SFAP])

-P-

P Federal Pell Grant "Dear Colleague" Letter

PAN Payee Account Number

PAS Presidential Access Scholarship *or* Primary Accounting System

PC Parental Contribution *or* Personal Computer

PCA Parents' Contribution from Assets *or* Pre-Claims Assistance

PDD Policy Development Division (in the U.S. Department of Education)

PDL Program Determination Letter

PGI Δ Pell Grant Index (a former term for Expected Family Contribution [EFC])

PGRFMS Pell Grant Recipient and Financial Management System

PHEAA Pennsylvania Higher Education Assistance Agency

PIPD Performance Improvement and Procedures Division (in the U.S. Department of Education)

P. L. Public Law

PLUS Parent Loans for Undergraduate Students (now used only as an acronym)

PMS Payment Management System

PPA Program Participation Agreement

PPV Δ Processed Payment Voucher

PRCN Program Review Control Number

PRD Program Review Determination

PSS Program Systems Service (in the U.S. Department of Education; formerly Division of Program Operations and Systems)

PT Part Time

PTAS Policy, Training, and Analysis Service (in the U.S. Department of Education)

PV Δ Payment Voucher (See *Payment Document*)

-Q-

QA Quality Assurance

QAP Quality Assurance Program (in the U.S. Department of Education; formerly Institutional Quality Assurance Program)

QC Quality Control

-R-

RDE Recipient Data Exchange

REPS Restored Entitlement Benefits for Survivors—Section 156

RIGA Regional Inspector General for Audit

RMASFAA Rocky Mountain Association of Student Financial Aid Administrators

RO Regional Office

ROTC Reserve Officers' Training Corps

-S-

SAO Statement of Account

SAP Satisfactory Academic Progress

SAR Student Aid Report

SASFAA Southern Association of Student Financial Aid Administrators

SAY Scheduled Academic Year

SC Student Contribution

SCA Student Contribution from Assets

SCP Scheduled Cash Payment

SEOG Δ Supplemental Educational Opportunity Grant (now FSEOG)

SF Standard Form

SFA Student Financial Aid (programs)

SFA BBS Student Financial Assistance Bulletin Board System

SFAP Student Financial Assistance Programs (in the U.S. Department of Education)

SG State (SSIG) "Dear Colleague" Letter

SIC Student's Income Contribution

SLMA Student Loan Marketing Association, also called "Sallie Mae"

SLRA Student Loan Reform Act of 1993

SLS Δ Federal Supplemental Loans for Students (no new loans are issued, but old loans are still being collected)

SNT Simplified Needs Test

SOA Statement of Account

SPCA Supplemental Pre-Claims Assistance

SPRE Δ State Postsecondary Review Entity

SPRP Δ State Postsecondary Review Program

SPS Student Payment Summary

SSA Social Security Administration

SSCR Student Status Confirmation Report

SSIG State Student Incentive Grant

SSN Social Security Number

STX State and Other Tax Allowance

SWASFAA Southwestern Association of Student Financial Aid Administrators

-T-

TC Total Contribution

TFCS U.S. Treasury's Financial Communications System (This is a method to request funds under ACH/EFT in ED/PMS)

TI Total Income

TIV WAN Title IV Wide Area Network

TPID Training and Program Information Division (in the U.S. Department of Education)

TRIO HEA federal outreach programs for disadvantaged students: Educational Opportunity Centers, Talent Search, Upward Bound, Upward Bound—Math/Science, Ronald E. McNair Post-Baccalaureate Achievement, Training Program for Special Programs Staff and Leadership Personnel, and Student Support Services

-U-

UM Δ Uniform Methodology

U.S.C. United States Code (of law)

-V-

VA U.S. Department of Veterans Affairs

VEAP Post-Vietnam Veterans Educational Assistance Program

VISTA Volunteers in Service to America

-W-

WAN Wide Area Network

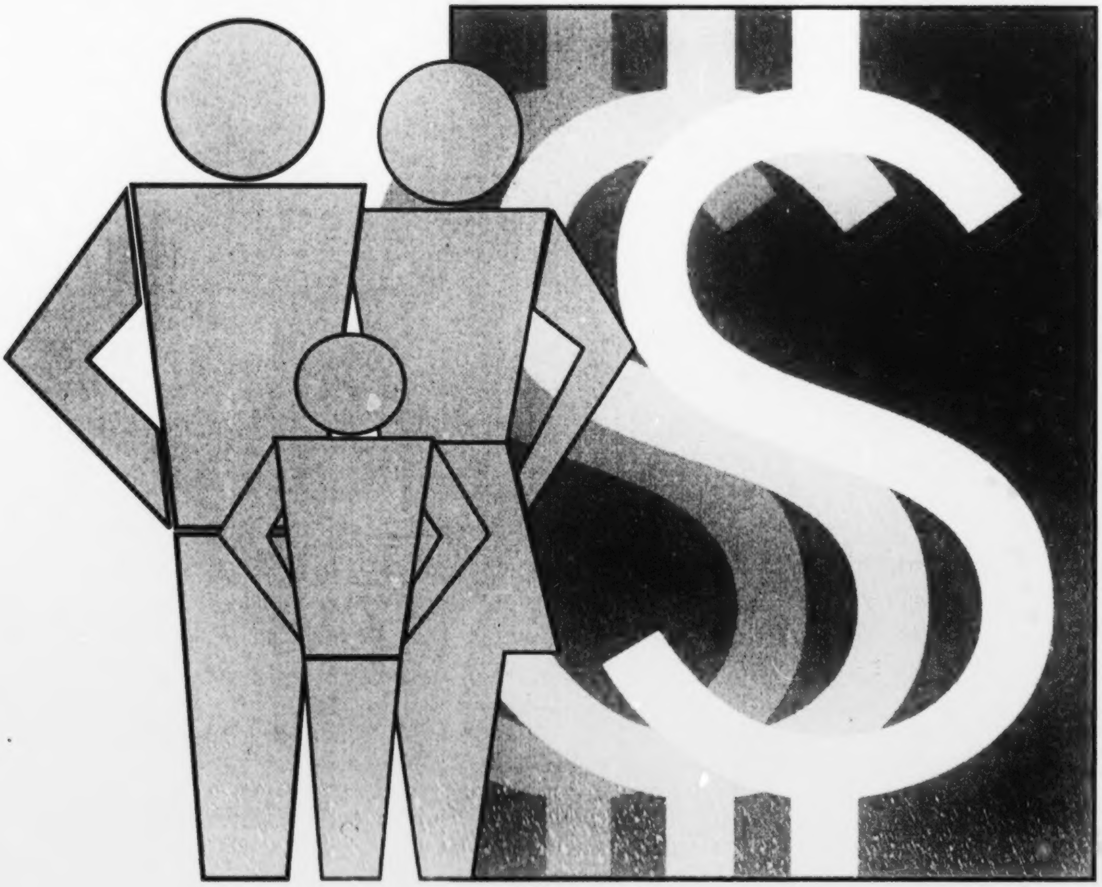
WASFAA Western Association of Student Financial Aid Administrators

-X, Y, Z-

No entries

Glossary

Appendix B



Training and Program Information Division
Student Financial Assistance Programs
Office of Postsecondary Education
U.S. Department of Education

Glossary - Appendix B

The symbol, Δ, indicates terminology that is no longer in use or programs that have been eliminated or renamed. The terminology is included as background information.

A-

Ability to Benefit (ATB) A postsecondary education eligibility standard for persons who:

(a) do not have a high school diploma or its recognized equivalent and

(b) are beyond the age of compulsory school attendance.

To be eligible to receive federal student financial aid, the Higher Education Act, as amended, requires these persons to pass an independently administered test approved by the U.S. Secretary of Education.

Academic Year (AY) A time period of at least 30 instructional weeks in which a full-time undergraduate student is expected to complete:

- 24 semester or trimester hours or 36 quarter hours at an institution using credit hours in an educational program whose length is measured in credit hours, *or*
- at least 900 clock hours at an institution using clock hours.

However, there is an exception for those schools with at least a two-year or four-year academic program with an associate or bachelor's degree. Those schools may request, in writing, that ED reduce the minimum period of instructional time of the academic year for any of its programs as long as they are at least 26 weeks in length.

Acceptable Documentation Written documents, such as U.S. income-tax returns and signed statements from the applicant and the applicant's family, that substantiate information reported on a student aid application. The *Verification Guide* lists documents accepted as proof that applicant data are accurate. See also *Documentation* and *Verification*.

Accepted With Assumptions A category of Federal Pell Grant processed payment data that was found to be inaccurate but for which the Pell Grant Recipient and Financial Management System (PGRFMS) made certain assumptions during processing. A school must review the records carefully and resubmit them if corrections are necessary. See also *Processed Payment Data*.

Accepted Without Changes or Assumptions A category of Federal Pell Grant processed payment data returned to a school by the Pell Grant Recipient and Financial Management System (PGRFMS) that the school must keep on file. A school should not resubmit these records to the Central Processing System (CPS) unless the award-year data change. See also *Processed Payment Data*.

Accounting Period A time period for which financial records are maintained and, at the end of which, financial statements are prepared.

Accredited Institution Any school or institution that meets standards established by a nationally recognized accrediting agency or association. See also *Accrediting Agency*, *Nationally Recognized Accrediting Agency or Association*, and *Preaccredited Institution*.

Accrediting Agency An agency that sets educational standards, evaluates institutions, and certifies that institutions have met its standards and is recognized by the U.S. Secretary of Education as a reliable authority in evaluating the educational quality of programs offered by postsecondary institutions. See also *Nationally Recognized Accrediting Agency or Association*.

Accrued Salaries Wages earned by students between the date that the students were last paid and the end of the accounting period being reported, but not yet paid to the students. The unpaid wages are considered a school liability.

ACH and ACH/EFT See *Automated Clearinghouse (ACH).*

Actual Interest Rate The annual interest rate a lender actually charges on a loan, which may be equal to or less than (but not more than) the loan's applicable interest rate.

Adjusted Gross Income (AGI) A specific income figure taken from a completed federal income-tax form filed in compliance with IRS regulations and guidelines.

Administrative Capability An institution must demonstrate specific areas in its management of its federal student financial aid programs, including:

- establishing and maintaining student records and financial records,
- submitting required ED reports,
- designating a capable financial aid administrator at the institution,
- writing procedures for school offices involved with federal student financial programs,
- communicating to the financial aid administrator all information received by any school office that might affect a student's federal student financial aid eligibility,
- dividing the functions of authorizing payments and disbursing loan funds,
- employing an adequate number of qualified staff, *and*
- participating in ED-provided electronic processes.

It also includes:

- providing adequate checks and balances,
- establishing, publishing, and applying reasonable standards of satisfactory academic progress for students,
- developing an adequate system to identify and resolve inconsistent information on documents,
- providing adequate financial aid counseling,
- providing all program and fiscal reports and financial statements required for compliance, *and*
- referring any instance of suspected fraud or criminal conduct by a federal student financial aid applicant to ED's Office of Inspector General.

Also, an institution must:

- not demonstrate any evidence of significant problems that affect its ability to administer Title IV funds,
- not have a student-loan cohort default rate of 25 percent or higher, *and*
- not appear to lack the ability to administer Title IV programs competently.

Administrative Cost Allowance (ACA) An amount the federal government allows an institution to offset for the cost of administering a Title IV program.

Administrative Offset An offset assessed by ED against a Title IV aid school to collect program review, audit, and formal fine debts. ED withholds portions of a school's GAPS payments and applies them toward the school's debt.

Advance Payment Method See *Automated Clearinghouse.*

Allocation A specific sum of money awarded for an institution to use during a specific period.

Campus-based funds (Federal Supplemental Educational Opportunity Grant, Federal Work-Study, and Federal Perkins Loan) are allocated to an institution on an award-year basis. Allocation may also be referred to as obligation, award, grant, or Document Number.

Allocation Order A priority list, established by ED, that states the order in which refunds are to be made to federal financial aid program accounts if a student withdraws, drops below half-time status, is expelled, or drops out during the refund period. By law, refunds must be allocated to Title IV programs in a specified order, as follows:

(1) Federal Family Education Loan (FFEL) Program

(2) William D. Ford Federal Direct Loan Program

(3) Federal Perkins Loan Program

(4) Federal Pell Grant Program

(5) Federal Supplemental Educational Opportunity Grant (FSEOG) Program

(6) All other Title IV programs

See also *Refund* and *Refund Policy*.

Allowances Financial modifications included in need-analysis formulas to provide for a family's non-discretionary expenses or to allow them to shelter assets or income for retirement or emergency purposes. In establishing students' costs of attendance (COAs), allowances are reasonable amounts allotted by an institution to reflect most students' education expenses.

Appeal Procedure The process by which a school requests reconsideration of an adverse ED ruling, such as liabilities to redress audit or program review findings.

Appeal Process The process by which a student requests further consideration in the financial aid process after being denied aid.

Applicable Interest Rate The maximum annual interest rate that a lender may charge on a student loan.

Applicant Roster and Tape Service See *Institutional Student Information Record (ISIR).*

Appropriation At the federal level, a congressional legislative act allocating a specific amount of public funds to be spent for a specific purpose during a fiscal or award year. See also *Continuing Resolution.*

Assets Financial holdings, such as cash on hand in checking and savings accounts, trusts, stocks, bonds, other securities, loans, receivables, real estate (excluding the home), business equipment, and business inventory that must be reported on a student financial aid application. These are considered in determining a student's Expected Family Contribution (EFC). See also *Expected Family Contribution (EFC)* and *Education Savings and Asset Protection Allowance.*

Assignment A school's transfer of a defaulted National Defense Student Loan, National Direct Student Loan, or Federal Perkins Loan to ED for collection. Once ED accepts a loan, it acquires all rights, title, and interest on the assigned loan. In certain cases, guaranty agencies also assign defaulted loans under the FFEL Program to ED.

Audit An independent examination of a school's financial transactions, accounts, reports, and compliance with applicable laws and regulations to determine whether the institution is maintaining effective control over revenues, expenditures, assets, and liabilities; whether the institution is properly accounting for resources, liabilities, and operations; whether financial reports contain accurate, reliable, and useful financial information and are accurately presented; and whether the institution is complying with applicable laws, regulations, and ED directives. A financial audit also studies and evaluates the institution's internal accounting and administrative controls, as well as the policies, procedures, and practices used in administering student financial assistance programs. See also *Independent Audit.*

Audit Exceptions School actions found through an audit that are not in compliance with federal guidelines.

Audit Guide The reference manual published by ED that is designed to assist independent auditors performing audits of Title IV student financial aid programs.

Audit Report A report prepared by ED after a federal audit is performed. In a nonfederal audit, an audit report is a report prepared by an auditor or audit firm according to the guidelines provided in the *Audit Guide* and ED's "Dear Colleague" Letter GEN-92-17 (Non-Federal Technical Bulletin 92-1) *or* according to OMB Circulars A-128 or A-133. See also *Federal Audit*.

Audit Trail A clear (easily followed) trail that is provided by maintaining required documentation to support each school transaction that deals with receiving and spending federal funds.

Authorization (legislative) At the federal level, a congressional legislative act that establishes a program, specifies its general purpose and conduct and, unless open-ended, sets a ceiling for the dollar amount that can be used to finance it. An authorization must be enacted before dollar amounts can be appropriated for program spending.

Authorization (spending) The approved expenditure level for a program for an award year. Each award year, ED notifies each participating institution of its authorized levels of expenditures for the Federal Pell Grant and the campus-based programs. See also *Official Notice of Funding* and *Statement of Account (SOA)*.

Automated Clearinghouse (ACH) A nationwide, electronic financial network providing a paperless, efficient means of making payments by electronically transmitting debits and credits through the Federal Reserve Communications System. ACH payments offer a wide range of applications, including direct deposit and preauthorized debits. Also referred to as Automated Clearinghouse/Electronic Funds Transfer (ACH/EFT).

Automatic Zero EFC (Expected Family Contribution) A dependent student qualifies if the student's parents filed, or are eligible to file, an IRS Form 1040A or 1040EZ or are not required to file and the sum of both parents' adjusted gross incomes or earned incomes is $12,000 or less. An independent student with dependents other than a spouse qualifies if the student (and spouse, if applicable) filed or is eligible to file an IRS Form 1040A or 1040EZ *or* the student (and spouse, if applicable) is not required to file and the student's (and spouse's, if applicable) adjusted gross income(s) or earned income(s) is $12,000 or less. See also *Expected Family Contribution (EFC)*.

Award A specific amount of financial assistance to pay for education costs offered to a student through one or more financial aid programs.

Award Adjustment or Revision An action by a financial aid office resulting in an increase, decrease, program-source substitution, or cancellation of a student's financial aid award.

Award Letter A notification to student financial aid applicants outlining the types and amounts of aid being offered, as well as specific loan program information, student responsibilities, and the conditions that govern the award(s).

Award Packaging See *Packaging*.

Award Year The time period beginning July 1 of one year through June 30 of the following year for which financial aid awards are made. The award year differs from the federal fiscal year (beginning October 1 of one year through September 30 of the following year).

-B-

Base Year (for financial aid awards) The 12-month period ending on December 31 of the calendar year that precedes an award year. For example, calendar year 1997 is the base year for the 1998-99 award year.

Batch Report See *IPS Batch Report (Institutional Payment Summary Batch Report)*.

Bill At the federal level, proposed legislative measures before Congress are in the form of bills. They are designated as HR (House of Representatives) or S (Senate), according to the house in which they originate, and by a number assigned in the order in which they were introduced, starting from the beginning of each two-year congressional term. A bill becomes public law if it is approved by the Congress and signed by the President.

Billing Service A private-sector business organization that services loan accounts (billing and/or receiving) for lenders and schools. A fee is charged for the service.

Board (as in "room and board") The cost of a food allowance or meal plan. See also *Room*.

Branch Campus A location of a school that is geographically apart and independent of the school's main campus. To be independent, a location must be permanent in nature; offer courses in educational programs that lead to a degree, certificate, or other recognized educational credential; have its own faculty and administration; and have its own budget and hiring authority. Additionally, for accrediting purposes, the definition includes a location that offers at least 50 percent of an educational program. A branch campus must be individually certified to be eligible to participate in Title IV programs.

Budget Committees At the federal level, the House and Senate committees that prepare the budget resolutions determining the levels of funding for all federal programs.

Each committee holds hearings and reviews projections from Executive Departments, the Office of Management and Budget, and the Congressional Budget Office. See also *Budget Resolution*.

Budget Resolution (as in first and second budget resolution) At the federal level, the congressional measure that determines the total federal budget. The first budget resolution, generally passed in April or May, sets ceilings or spending targets for all federal programs. Its figures are not binding. The second budget resolution, generally passed in August or September, sets the limits of federal budget expenditures for the upcoming fiscal year, which starts on October 1. See also *Budget Committees*.

Business Assets Property used to operate a trade or business, including real estate, inventories, buildings, machinery and other equipment, patents, franchise rights, and copyrights. These are considered in determining a student's Expected Family Contribution (EFC). See also *Expected Family Contribution (EFC)*.

Business Office The school office responsible for an institution's financial accounting, including Title IV aid program activity. The office disburses financial aid award payments to students and student accounts and processes loan checks. At various schools, it is sometimes referred to as the fiscal office, finance office, bursar's office, treasurer's office, or student accounts office. See also *Separation of Functions*.

Robert C. Byrd Honors Scholarship A Title IV financial aid program that makes scholarships available to full-time postsecondary students with exceptional ability and promise. Students apply for the merit-based scholarships through their state education agencies.

-C-

Campus-Based Programs The term applied to three federal Title IV student aid programs administered on campus by eligible institutions of postsecondary education:

- the Federal Supplemental Educational Opportunity Grant (FSEOG) Program,
- Federal Work-Study (FWS) Program, *and*
- the Federal Perkins Loan Program.

See also individual program names.

Cancellation (of a loan) This occurs when a borrower meets specific requirements that permit nullifying the borrower's obligation to repay a designated portion of principal and interest on a student loan. It may also be referred to as "discharge of a loan."

Capitalizing Interest A process in which a lender adds unpaid interest to the loan principal. Capitalizing is a way to postpone interest payment; it increases the amount of the principal and, consequently, the total loan amount that must be repaid.

Carry Back/Carry Forward A special provision of the Federal Work-Study (FWS) Program that allows an institution to transfer up to 10 percent of its annual FWS allocation back to the previous award year or forward to the next award year. In addition, a school may use carry-back funds from the current award year to pay student wages earned from May 15 through June 30 of the previous award year. See also *Federal Work-Study (FWS) Program.*

Cash Advance A transfer of funds from a federal agency account in the U.S. Treasury through the Federal Reserve Bank to a school.

Central Processing System (CPS) See *Federal Central Processing System (CPS).*

Certificate of Citizenship A document for U.S. citizens born outside the U.S. that certifies they are U.S. citizens.

Certificate of Naturalization A U.S. Immigration and Naturalization Service (INS) document given to individuals who were not born in the U.S. when they become naturalized U.S. citizens.

Clock Hour The period of time consisting of: a 50-minute to 60-minute class, lecture, or recitation in a 60-minute period; or a 50-minute to 60-minute faculty-supervised laboratory, shop training, or internship in a 60-minute period; *or* 60 minutes of preparation in a program of study by correspondence. Compare *Credit Hour.*

Clock-Hour Schools Institutions that measure academic programs in clock hours. See also *Academic Year* (*AY*) and *Clock Hour.* Compare *Credit Hour* and *Credit-Hour Schools.*

Code of Federal Regulations (CFR) The compilation of published federal requirements that appear in the *Federal Register.* Regulations implementing Title IV financial aid programs appear in Title 34 CFR.

Cohort Default Rate For the Federal Perkins Loan, Federal Stafford Loan Program, and Federal Direct Loan Program, the percentage of an institution's current and former students who entered student-loan repayment in a specific fiscal year on loans received for attendance at that institution and who defaulted before the end of the following fiscal year. For any fiscal year in which fewer than 30 students entered repayment, the percentage is determined on the basis of students who entered repayment as just described in any of the three most recent fiscal years and who defaulted before the end of the fiscal year immediately following the year they entered repayment. See also *Default.*

Collection Agency A private-sector business organization that attempts to collect on delinquent or defaulted student loans referred to it by a lender or school. A fee is charged for the service.

Collection Costs Reasonable costs incurred by using a collection agency or commercial skip-trace agency in an attempt to recover delinquent or defaulted student loan funds. See also *Collection Agency* and *Skip Tracing.*

Co-Maker Either of two individuals who are joint borrowers on a loan and who are equally liable for its repayment. Compare *Endorser.*

Comment Period A time period, usually of 45 days or 60 days from the date a Notice of Proposed Rulemaking (NPRM) is published in the *Federal Register,* during which interested parties are invited to submit comments.

Comments and Responses A section of a final regulations package published in the *Federal Register* that summarizes comments received from the public about an earlier proposed version of the regulations. In U.S. Department of Education regulations, the Secretary's responses to these comments are also included in this section. (The section often is part of the preamble that introduces the final version of the regulations; it also gives the date the rules become effective and a summary of the regulations' major provisions.) See also *Comment Period.*

Community Service Learning (CSL) A part of Federal Work-Study (FWS), Community Service Learning (CSL) jobs aim to develop, improve, and expand community services for low-income individuals and families to improve the quality of their lives. See also *Federal Work-Study.*

Commuting Student A student not living in housing provided by the postsecondary institution the student is attending.

Compliance Audit See *Audit* and *Independent Audit.*

Conference Committee On the federal level, a congressional committee made up of members of the House of Representatives and the Senate who meet to reconcile differences between the two houses' versions of a bill. Conference committee members are appointed by the Speaker of the House and the President of the Senate (the Vice President of the United States). See also *Bill.*

Confirmation Report See *Student Status Confirmation Report (SSCR).*

Conflicting Information Information, held by any office at a school, that conflicts with the information on a student's application for federal student aid. See also *Verification* and *Verification Items.*

Consolidation Loan A loan that combines multiple federal student loans into a single loan with one monthly payment. Title IV loan programs, the Health Professions Student Loan (HPSL) Program, the Health Education Assistance Loan (HEAL) Program, and the Nursing Student Loan Program (NSLP) may be consolidated. Compare *Federal Direct Consolidation Loan.*

Continuing Resolution At the federal level, congressional joint agreement between the House and Senate to continue appropriations for specific government agencies (at rates generally determined on the basis of previous fiscal-year appropriation levels) when Congress has not yet enacted an appropriation act for those agencies for the current fiscal year. A continuing resolution must pass both houses of Congress and be signed by the President. See also *Appropriation.*

Contribution from Earnings A percentage of a dependent student's base-year earnings that the student is expected to contribute to education costs. See also *Base Year.*

Corrective Action Plan (CAP) A written plan that an institution submits to ED to explain what reasonable and appropriate steps it will take to remedy any violation(s) of applicable laws or regulations.

Correspondence Course or Program A "home study" course provided by an institution to students who are partly or not at all physically attending classes. See also *Telecommunications Course.*

Cost of Attendance (COA) Tuition and fees, room and board expenses while attending school, allowances for books and supplies, transportation, loan fees (if applicable), dependent-care costs, costs related to a disability, study-abroad costs, and other miscellaneous expenses, as outlined in Section 472 of the HEA. See also *Source Document.*

Credit Hour The unit of measuring educational credit based on the number of classroom hours per week throughout a semester, trimester, or quarter term. Compare *Clock Hour.*

Credit-Hour Schools Schools with academic programs that measure progress by completed courses assigned specific numbers of credit hours. See also *Academic Year* and *Credit Hour.* Compare *Clock Hour* and *Clock-Hour Schools.*

-D-

Debt-Management Counseling Counseling for students on the subject of assuming debt and handling accumulated indebtedness.

Data Release Number (DRN) Appears on the student's SAR and SAR Information Acknowledgment; used by the student to make changes over the phone to certain SAR elements; used by schools to draw down ISIR.

Default For Perkins Loan: Failure of a borrower to make a loan-installment payment when due or to meet other terms of the signed promissory note or written repayment agreement.

For FFEL Program Loans: Failure to make a loan-installment payment (a) for 180 days on a loan repayable in monthly installments or (b) for 240 days on a loan repayable in less frequent installments.

For Direct Loans: Failure to make a loan-installment payment for 270 days on a loan repayable in monthly installments.

There can be serious legal consequences for student-loan defaulters. See also *Cohort Default Rate*.

Deferment (of a loan) A period of postponement during which repaying loan principal is suspended as a result of the borrower meeting one or more of a number of deferment requirements established by law. Interest continues to accumulate during deferment of an unsubsidized loan. Compare *Forbearance (on a loan)*.

Delinquent Borrower A student loan borrower who fails to make a loan-installment payment by or on its due date.

Delivery In the Federal Family Education Loan Program, the process of a school transmitting loan proceeds to a borrower. See also *Disbursement*.

Deobligation Action by ED reducing all or part of an institution's allocation for a Title IV program. Deobligation usually results from an institution releasing funds back to the federal government that will not be used during the period for which the funds were allocated. See also *Allocation* and *Supplemental Allocation*.

Departmental Scholarship An award of gift assistance specifically designated for a recipient in a particular department within the school, college, or university. It may be a need-based award, but it does not have to be.

Dependents Generally, spouse, children, and/or other household members for whom the parent (or aid applicant) provides more than one-half of the financial support.

Dependent Student For the purposes of federal Title IV financial aid, a student who does not meet any of the criteria for an independent student must be classified as a dependent student. Compare *Independent Student*.

Direct Loan Origination Center ED's agent responsible for functions associated with processing applications for and disbursing Direct Loan Program funds. See also *Direct Loan Servicing Center.*

Direct Loan Program A federal program where the U.S. government provides four types of education loans to student and parent borrowers directly through schools:

- the Federal Direct Stafford Loan (subsidized),
- the Federal Direct Unsubsidized Stafford Loan,
- the Federal Direct PLUS Loan (for parents), *and*
- the Federal Direct Consolidation Loan.

These loans are referred to collectively as "Direct Loans." See individual loan names.

Direct Loan Servicing Center ED's agents responsible for functions associated with repaying Direct Loans. See also *Direct Loan Origination Center.*

Disbursement Paying financial aid funds. See also *Delivery*.

Discharge See *Cancellation (of a loan.)*

Discharge Due To Bankruptcy Release from a student-loan obligation by action of a bankruptcy court.

Disclosure Statement A statement sent to the borrower by the lender before or at the time it disburses a loan, as well as at, or prior to, the beginning of the repayment period, containing information about the terms of their loans and the consequences of default.

Discretionary Items Applicant data items (such as untaxed income benefits, total income, or assets) used to determine a student's eligibility for federal financial aid that regulations do not require be verified. See also *Verification.*

Distribution Formula A formula that federal regulations specify be used to calculate the amounts of refunds or overpayments (repayments) that must be returned to individual federal student financial aid programs. See also *Refund Policy* and *Repayment Allocation Policy.*

Documentation Documents or signed statements presented as evidence in support of an action affecting a student's eligibility for financial aid. See also *Acceptable Documentation.*

Drop-Out Date A student's last recorded class-attendance date that can be documented by the school; this is not necessarily the same as the withdrawal date. If a student unofficially withdraws, the drop-out date determined by class attendance must be used in calculating refund and repayment amounts. Compare *Withdrawal Date.*

Due Diligence Full and timely disclosure to student borrowers of their rights and obligations, explained during entrance and exit interviews. Also the use of extensive, persistent, and forceful procedures for servicing and collecting student loans.

Duplicate (Pell Payment Data) A category of processed payment data that represents duplicates of "accepted without changes or assumptions" data that an institution has already sent to the Central Processing System (CPS). The data should not be resubmitted unless the award-year data changes. See also *Processed Payment Data.*

-E-

ED Central Automated Processing System (EDCAPS) An upgraded financial management system under development to replace ED's current system. See also *GAPS*

EDExpress EDExpress is an ED-provided software package that schools use to administer the Title IV financial aid programs.

Edit Checks A series of data tests on financial aid applications run by the Central Processing System (CPS) to report incomplete or inconsistent data on applications. Edit checks are also part of processing an institution's Electronic FISAP (Fiscal Operations Report and Application to Participate) and are part of the William D. Ford Federal Direct Loan Program. See also *Federal Central Processing System (CPS)* and *Verification.*

Education Benefits Funds, primarily federal, awarded to certain students—veterans, children of deceased veterans or other deceased wage earners, and students with physical handicaps—to help finance their postsecondary education. The benefits are awarded without regard to financial need.

Education Savings and Asset Protection Allowance An allowance to protect a portion of family assets when considering assets as part of the Expected Family Contribution (EFC).

Educational Program A postsecondary course of study that generally leads to an academic or professional degree, vocational certificate, or other recognized education credential.

Electronic Access Code (EAC) In order to use Renewal FAFSA on the Web, students must order an EAC. They will be mailed the EAC after ordering it at the web site. The EAC replaces the signature of an independent student.

Electronic Data Exchange (EDE) An ED system that enables institutions to transmit, receive, and correct application data, package student awards, and transmit Federal Pell Grant and William D. Ford Direct Loan payment information via a telecommunications network.

Electronic FISAP (Fiscal Operations Report and Application to Participate) The computer application to continue participating in campus-based programs. See also *FISAP (Fiscal Operations Report and Application to Participate).*

Electronic Funds Transfer (EFT) See *Automated Clearinghouse (ACH).*

Electronic Pell Payment Data (EPPD) The record schools send to PGRFMS containing Pell Grant payment information. *See PGRFMS*

Electronic Processed Pell Payment Data (EPPD): PGRFMS returns this record to schools after processing the EPPD.

Eligible Institution A public or private nonprofit institution of higher education, a postsecondary vocational school, or a proprietary institution of higher education that meets all the criteria to continue participating in Title IV student financial aid programs and has been approved by the U.S. Secretary of Education to do so.

Eligible Noncitizen A student aid applicant who is not a U.S. citizen, but is eligible to receive Title IV assistance. Conditions that allow noncitizens to be considered for Title IV funds are listed in *The Federal Student Financial Aid Handbook*, Chapter 2.

Eligible Program An educational program that meets the regulatory requirements for participating in Title IV programs and has been approved by the U.S. Secretary of Education to do so.

Eligible Student The definition of a student eligible to receive federal financial aid from ED is discussed in detail in *The Federal Student Financial Aid Handbook*, Chapter 2, and in Subpart C of Section 668 of the Student Assistance General Provisions regulations.

Emergency Action Action taken by ED against an eligible postsecondary institution. This action includes withholding funds from the institution or its students and withdrawing the authority of the institution to obligate federal funds under any or all of the Title IV student aid programs.

Emergency action is taken when ED:

- receives information that the institution is violating applicable laws, regulations, special arrangements, agreements, or limitations;
- determines that the likelihood of loss to the federal government outweighs putting in place limitation, suspension, or termination procedures; and
- determines that immediate action is necessary to prevent misuse of federal funds.

See also *Limitation, Suspension, or Termination (LS&T)* and *Program Participation Agreement (PPA).*

Employment Expense An allowance in determining the Expected Family Contribution (EFC) for additional expenses relating to employment when both parents are employed or when one parent who qualifies as a surviving spouse or as head of a household under Section 2 of the Internal Revenue Code is employed. See also *Expected Family Contribution (EFC).*

Endorser An individual who signs a promissory note agreeing to repay a loan if the borrower does not repay it. Compare *Co-Maker.*

Enrolled Completing registration requirements (except payment) at the institution the student is attending and beginning the attendance period *or* submitting one lesson in a correspondence course.

Enrollment Period For the William D. Ford Federal Direct Loan and Federal Family Education Loan (FFEL) Programs, the period of time for which a borrower's loan is intended

601

and during which a student is enrolled.

For a school that uses academic terms (semester, trimester, or quarter) an enrollment period must coincide with one or more terms or with an academic year. For a school that does not use academic terms, an enrollment period must coincide with the length of a student's program of study or an academic year. Compare *Payment Period*.

Enrollment Status At institutions using semesters, trimesters, quarters, or other academic terms and measuring progress in credit hours, enrollment status equals a student's credit-hour course load. At these schools, a full-time undergraduate student enrolls in at least 12 semester hours or 12 quarter hours each term.

At institutions measuring progress in clock hours, enrollment status equals a student's clock-hour course load. At these schools, a full-time student receives at least 24 hours of instruction in one week.

At either type of school, student enrollment may be categorized as full-time, three-quarter-time, half-time, or less-than-half-time.

At institutions using a combination of both credit and clock hours, enrollment status for a full-time student is any combination of credit and clock hours where the sum of the following fractions is equal to or greater than one.

- For a program using a semester, trimester, or quarter system:

$$\frac{\textit{Number of credit hours per term}}{12}$$

plus

$$\frac{\textit{Number of clock hours per week}}{24}$$

- For a program not using a semester, trimester, or quarter system:

$$\frac{\textit{Number of semester or trimester hours per academic year}}{24}$$

plus

$$\frac{\textit{Number of quarter hours per academic year}}{36}$$

plus

$$\frac{\textit{Number of clock hours per week}}{24}$$

At nonterm institutions, enrollment status for a full-time student is 24 semester hours or 36 quarter hours per academic year or the prorated equivalent for a program of less than one academic year.

Entrance Counseling (for student borrowers) Required counseling prior to the first disbursement of SFA program funds that covers the borrower's rights and responsibilities, the terms and conditions of the loan, the average indebtedness of the school's borrowers, and the consequences of default. Compare *Exit Counseling (for student borrowers)*.

Entrance Interview (for an audit) A meeting, prior to the beginning of a financial aid audit, between an auditor and school administrative officials concerning operating rules, an agenda, and a schedule for the on-site work. See also *Audit*. Compare *Exit Interview (for an audit).*

Estimated Financial Assistance (EFA) The estimated amount of assistance that an institution is aware a student will be awarded or has been awarded in federal, state, or privately supported scholarship, grant, work, or loan programs, including veterans' education benefits and Social Security benefits.

Exit Counseling (for student borrowers) An interview that must take place before the borrower leaves school (Perkins) or ceases at least half-time enrollment (FFEL and Direct Loan) covering the borrower's rights and responsibilities, details about handling loan repayment, and the average indebtedness of the school's borrowers. Borrowers are also required to provide updated personal information, such as address, telephone number, expected employer, and driver's license number (and state where it was issued). See Chapters 6 and 10 in *The Federal Student Financial Aid Handbook* for complete information on exit interview requirements. Compare *Entrance Counseling (for student borrowers).*

Exit Interview (for an audit) A closing meeting, following completion of a financial aid audit, between an auditor and administrative officials during which general audit findings and conclusions are discussed. See also *Audit*. Compare *Entrance Interview (for an audit).*

Expected Disbursement The sum of all expected Federal Pell Grant payments to a student during an award year.

Expected Family Contribution (EFC) The figure that indicates how much of a family's financial resources should be available to help pay a student's postsecondary education expenses. This figure, determined according to a statutorily defined method known as the Federal Need Analysis Methodology, is used for all students in determining eligibility for federal Title IV student financial aid. Some students will have both primary and secondary EFCs, with the financial aid administrator choosing between the two. See also *Automatic Zero EFC (Expected Family Contribution)* and *Simplified Needs Test Formula.*

-F-

FAFSA (Free Application for Federal Student Aid) See *Free Application for Federal Student Aid (FAFSA).*

FAFSA Express ED software that permits a student using a computer with a modem to enter FAFSA data and transmit it directly to the CPS.

FAFSA on the Web An on-line version of the FAFSA students can access and complete. It is located at www.fafsa.ed.gov. Now available is Renewal FAFSA on the Web as well. See also *FAFSA.*

FAFSA Processor An organization contracted by ED to process the Free Application for Federal Student Aid (FAFSA).

Federal Audit A financial audit conducted by an office or officer of a federal agency, such as a representative from ED's Office of Inspector General.

Federal Capital Contribution (FCC) The portion of a Federal Perkins Loan fund allocated to an institution by the federal government for a specific award year. Compare *Institutional Capital Contribution (ICC).*

Federal Central Processing System (CPS) ED's Central Processing System (CPS) analyzes information from Free Applications for Federal Student Aid (FAFSAs) and calculates the Expected Family Contributions (EFCs). See also *Edit Checks, Federal Output Document,* and *National Student Loan Data System (NSLDS).*

Federal Direct Consolidation Loan A loan arranged through ED's Direct Loan Servicing Center that combines several federal education loans (including non-Direct loans) into a single loan with one monthly repayment. Compare *Consolidation Loan.*

Federal Direct Loan Program See *Direct Loan Program.*

Federal Direct PLUS Loan Parents may borrow from this education loan program on behalf of their dependent children. Compare *Federal PLUS Loan.*

Federal Direct Stafford Loan (subsidized) On the basis of student financial need, this loan program provides federally financed loans to students who are in undergraduate, graduate, or professional programs. See also *Federal Direct Unsubsidized Stafford Loan.* Compare *Federal Stafford Loan (subsidized).*

Federal Direct Unsubsidized Stafford Loan This loan program provides federally financed, low-interest loans to students who are in undergraduate, graduate, or professional programs. These loans are not based on financial need and are not government subsidized. The borrower pays the interest charges on the loan on a monthly basis or may allow the interest to accumulate and be capitalized by the lender (no more frequently than quarterly) and added to the loan principal when repayment begins. See also *Capitalizing Interest* and *Federal Direct Stafford Loan (subsidized).* Compare *Federal Stafford Unsubsidized Loan.*

Federal Family Education Loan (FFEL) Program The FFEL Program is made up of Federal Stafford Loans (both subsidized and unsubsidized), Federal PLUS (parent) Loans, and Federal Consolidation Loans. All of these are long-term loans insured by state or private nonprofit guaranty agencies that are reimbursed by the federal government for all or part of the insurance claims paid to lenders. This government guarantee replaces the collateral or security usually required with long-term consumer loans.

Federal Need Analysis Methodology The statutory formula used to determine the Expected Family Contributions (EFCs) for all students applying for federal Title IV student financial aid. Information on it is found in HEA, Part F. See also *Full Data Element Formula* and *Simplified Needs Test Formula.*

Federal Output Document The Student Aid Report (SAR), SAR Information Acknowledgement, and Institutional Student Information Record (ISIR) generated by the Central Processing System (CPS) as a result of processing applicant data on the Free Application for Federal Financial Aid (FAFSA) or Renewal FAFSA.

Federal Pell Grant Payment and Disbursement Schedules Charts published annually by the U.S. Secretary of Education that determine the dollar value of student Federal Pell Grant awards on the basis of students' Expected Family Contributions (EFCs) and schools' costs of attendance (COAs).

Federal Pell Grant Program A grant program for undergraduate students who have not completed a first baccalaureate degree. It is designed to assist students with financial need who are the least able to contribute toward their education expenses. If students apply, meet all the eligibility criteria, and are enrolled in an eligible program at an eligible institution, they will receive Federal Pell Grants.

Federal Perkins Loan Program This campus-based loan program provides low-interest student loans to undergraduate and graduate students with financial need. See also *Campus-Based Programs.*

Federal PLUS Loan Parents may borrow from this education loan program on behalf of their dependent children. Loans are made by lenders such as banks, credit unions, or savings and loan associations. Compare *Federal Direct PLUS Loan.*

Federal Register The government publication, published each weekday (except federal holidays), that prints regulations, regulatory amendments, notices, and proposed regulatory changes for all federal executive agencies. ED sends reprints of excerpts from the *Federal Register* that pertain to federal student financial aid to all institutions participating in federal student financial aid programs.

Federal Stafford Loan (subsidized) A loan program providing federally subsidized, low-interest loans to students in undergraduate, graduate, or professional programs. Subsidized loans are awarded on the basis of student financial need. See also *Federal Stafford Unsubsidized Loan.* Compare *Federal Direct Stafford Loan (subsidized).*

Federal Stafford Unsubsidized Loan The unsubsidized Federal Stafford Loan Program provides loans to students who do not meet the financial-need criteria for a subsidized Federal Stafford Loan. An unsubsidized Federal Stafford Loan may be substituted for all or part of the Expected Family Contribution (EFC) and is referred to as a "non-need-based" loan. These loans may be borrowed by undergraduate, graduate, and professional students. See also *Federal Stafford Loan (subsidized).* Compare *Federal Direct Unsubsidized Stafford Loan.*

The Federal Student Financial Aid Handbook An ED publication that explains procedures schools should follow in administering federal student financial aid (SFA) programs. Some of these procedures are required by laws and regulations, while other procedures are required by the various reporting systems of each Title IV program. The most current edition is *The 1997-98 Federal Student Financial Aid Handbook.*

Federal Student Financial Aid Programs See *Title IV Student Financial Aid.*

Federal Supplemental Educational Opportunity Grant (FSEOG) A campus-based aid program that provides grant assistance to students with financial need who are in undergraduate programs and have not earned a bachelor degree or first professional degree. Priority in awarding Federal Supplemental Educational Opportunity Grant (FSEOG) funds is given to students who have exceptional financial need and are Federal Pell Grant recipients. See also *Campus-Based Programs.*

Federal Supplemental Loans for Students Δ An unsubsidized loan program that has been replaced by the Federal Direct Unsubsidized Loan and the Federal Stafford Unsubsidized Loan.

Federal Work-Study (FWS) Program A campus-based federally funded employment program that provides paid jobs for undergraduate or graduate students who need such earnings to meet a portion of their education expenses. See also *Campus-Based Programs* and *Carry Back/Carry Forward.*

FEDWIRE The U.S. Treasury Department's Financial Communications System (TFCS) Deposit Message Retrieval System (DMRS) uses FEDWIRE for returning funds to ED, including:

- a liability or combination of liabilities totaling $100,000 or more for a prior award year (except for some Federal Perkins Loan liabilities);
- excess cash in, or liquidation of, the Federal Perkins Loan Fund; *and*
- ED-proposed or assessed fines of $100,000 or more.

Fees (institutional) To be an element of a school's cost of attendance (COA), fees must be mandatory, institution-based charges required as part of a student's program of study and charged to all students in that educational program. See also *Cost of Attendance (COA).*

Final Regulations Federal government operating rules published in the *Federal Register.* Final regulations, which have the force of law, usually take effect 45 days after the date they are published. (However, there are exceptions to the 45-day period because of the master calendar of the Higher Education Act [HEA]). See also *Comment Period, Interim Final Regulations, Notice of Proposed Rulemaking (NPRM),* and *Master Calendar.*

Financial Aid Award An offer of financial aid or in-kind assistance to a student attending a postsecondary educational institution. This award may be in the form of one or more of the following types of financial aid: a repayable loan, a grant and/or scholarship, or student employment. Examples of in-kind assistance are tuition waivers or fee waivers.

Financial Aid History Data on the Student Aid Report (SAR) or Institutional Student Information Record (ISIR) generated by the National Student Loan Data System (NSLDS) that shows a student's previous financial aid, defaults, and overpayments. Compare *Financial Aid Transcript (FAT).*

Financial Aid Package An assistance offer by an educational institution to a student aid applicant that consists of one or more forms of financial aid, such as loans, grants, scholarships and/or employment.

Financial Aid Transcript (FAT) A document used by educational institutions to collect data about Title IV aid and other financial aid received by a student at other educational institutions. Institutions must provide financial aid transcripts (FATs) at no charge to students and former students. Compare *Financial Aid History.* See *National Student Loan Data System (NSLDS).*

Financial Audit See *Audit* and *Independent Audit.*

Financial Need The difference between the institution's cost of attendance (COA) and what the student's family is able to pay—the Expected Family Contribution (EFC). (COA - EFC = Need) See also *Cost of Attendance (COA)* and *Expected Family Contribution (EFC).*

Financial Responsibility An institution must show that it has the financial responsibility to participate in federal Title IV student aid programs. Financial responsibility covers general standards (as well as exceptions institutions can meet as alternatives). These standards cover ones for for-profit, nonprofit, and public institutions and cover the past performance of an institution or persons affiliated with an institution. For further information, refer to 34 CFR, Section 668.15, of the Student Assistance General Provisions and Chapter Two of *The Blue Book.*

Financial Statement A report prepared at the end of a school's fiscal year that provides an overview of the institution's financial activities for that fiscal year. Financial statements are audited by a Certified Public Accountant (CPA) and submitted to the U.S. Department of Education in accordance with applicable regulations. See also *Audit* and *Independent Audit.*

First-Time Student A student who has not previously attended at least one class at the institution or who received a 100 percent refund of his or her tuition and fees (less any permitted administrative fee) under the institution's refund policy for previous attendance at the institution. A student remains a first-time student until the student either withdraws, drops out, or is expelled from the institution after attending at least one class *or* completes the period of enrollment for which he or she has been charged.

FISAP (Fiscal Operations Report and Application to Participate) See *Electronic FISAP (Fiscal Operations Report and Application to Participate).*

Floppy Disk Data Exchange An automated system by which institutions can submit Federal Pell Grant payment data on IBM-compatible computer diskettes to ED. ED provides a database management system to each participant. ED returns payment data on diskette. This method of reporting will be eliminated 7/1/99.

Forbearance (on a loan) A lender's option of allowing a *temporary* cessation of payments of subsidized or unsubsidized Federal Stafford, Federal PLUS, or Federal Direct Loans *or* allowing an extended period for making payments *or* accepting smaller payments than were previously scheduled. Forbearance may be given for circumstances that are not covered by deferment. Interest continues to accumulate during forbearance. Compare *Deferment (of a* *loan).*

William D. Ford Federal Direct Loan Program See *Direct Loan Program.*

Form G-8455 A form a school submits to the U.S. Immigration and Naturalization Service (INS) for "Secondary Confirmation" to confirm that an alien noncitizen's documentation is valid for Title IV eligibility purposes. See *Eligible Noncitizen.*

Forward Funding At the federal level, the congressional funds appropriation in the fiscal year prior to the award year in which they will be disbursed. For example: the amount of public funds Congress allocates to Federal Pell Grant and campus-based funds in 1998 to be used in the 1999-2000 award year.

Free Application for Federal Student Aid (FAFSA) This ED input document is the foundation for all Title IV need analysis computations. The application form is completed by the student and his or her family. It gathers data to calculate the Expected Family Contribution (EFC), which is used to determine eligibility for Federal Pell Grant, campus-based, Federal Stafford Loan, and Federal Direct Loan awards. See also *Renewal FAFSA, Expected Family Contribution (EFC),* and *Need Analysis.*

Full Data Element Formula A formula that uses the full range of data elements in calculating a student's Expected Family Contribution (EFC) under the Federal Need Analysis Methodology. Also called the "regular formula." See also *Expected Family Contribution (EFC).*

Full-Time Student A term defined by each institution of higher education. For Title IV student aid eligibility, however, a full-time undergraduate student cannot be taking fewer than 12 semester, trimester, or quarter hours per academic term in institutions with standard academic terms or fewer than 24 clock hours per week in institutions that measure progress in clock hours.

-G-

General Education Development (GED) Certificate A nationally recognized equivalent of a high school diploma granted after a student has passed a standardized examination.

General Institutional Eligibility Requirements Federal regulations governing institutional eligibility to apply to participate in Title IV programs.

General eligibility requirements are established by statutory definition and refer to:

- location,
- student admissions policy,
- authorization to provide a postsecondary educational program,
- accreditation,
- types, lengths, and levels of educational programs within the institution,
- the institution's type,
- the institution's control, and
- how long the institution has existed.

Gift Aid Financial aid that a student is not required to repay or earn through employment. Generally, gift aid is in the form of a grant or scholarship. Compare *Self-Help Aid.*

Grace Period The time period that begins the day after a loan recipient ceases to be enrolled at least half time and ends the day before the repayment period starts.

Graduate or Professional Student Student enrolled in a program that leads to a degree higher than a baccalaureate or to a first professional degree. A graduate or professional student must have completed at least three years of full-time study at an institution of higher education and may not be concurrently receiving Title IV aid as an undergraduate student.

Grant (programs) Gift-aid programs that require neither repayment nor work from students. Federal Title IV grant programs include the Federal Pell Grant, Federal Supplemental Educational Opportunity Grant (FSEOG), and State Student Incentive Grant (SSIG) Programs. See also *Gift Aid.*

Guaranty Agency A state agency, *or* a private, nonprofit institution, *or* an organization that administers federal student financial aid programs under the Federal Family Education Loan (FFEL) Program. One major function is to insure Federal Family Education Loans. Guaranty agencies are reimbursed by the federal government for all or part of the insurance claims they pay to lenders on distributed loans.

Guaranty Fee See *Insurance Premium.*

-H-

Half-Time Student For the Federal Family Education Loan (FFEL) Program, a half-time student is one who is carrying a half-time academic workload (as determined by the school) that equals at least one-half the workload of a full-time student. For the remaining Title IV programs, a student is considered half time by carrying a half-time academic workload (as determined by the school), generally equaling or exceeding the following minimum requirements:

(a) 6 semester, trimester, or quarter hours per academic term for an institution using standard terms;

(b) 12 clock hours per week for schools using clock-hour measurement;

(c) 12 semester hours or 18 quarter hours per academic year for an institution using credit hours to measure progress but not using standard academic terms; *or*

(d) enrollment in an eligible correspondence program requiring at least 12 hours of preparation per week.

Hand Calculation On-campus calculation (manual or by computer program) of the Expected Family Contribution (EFC), in contrast to the official EFC calculation provided by the Central Processing System (CPS).

Higher Education Act of 1965, as amended (HEA) Legislation passed in 1965, as well as all subsequent amendments and reauthorizing (extending) legislation of the statute. Title IV of the HEA authorizes the majority of the nation's federal postsecondary student financial aid programs and mandates that they be regulated and administered by the U.S. Secretary of Education. The HEA is effective for approximately five years, requiring Congress to reauthorize it about every five years or to extend the legislation for up to one additional year. The statute's most current version, as amended, always stands as the official version of the law. See also *Reauthorization* and *Title IV Student Financial Aid.*

Higher Education Amendments of 1992 Changes to the Higher Education Act of 1965, as amended (HEA), made by Congress during the 1992 reauthorization of the HEA. They became federal law on July 23, 1992. Sometimes referred to as "the 1992 Amendments" or "the Amendments."

Higher Education Technical Amendments of 1993 Corrections to the 1992 reauthorization of the Higher Education Act (HEA).

-I-

Immediate Need A school requests funds to meet its "immediate need" for disbursing Federal Pell Grant and campus-based program awards. For schools under Automatic Clearinghouse/Electronic Funds Transfer (ACH/EFT), "immediate need" is three business days. Under ACH/EFT, recipients request funds as needed, for example, every three days, once a week, or whatever is appropriate. See also *Automated Clearinghouse (ACH).*

Incarcerated Student For purposes of institutional eligibility, a student serving a criminal sentence in a federal, state, or local correctional facility. For purposes of Pell Grant eligibility, a student serving a criminal sentence in a federal or state facility only. A student in a less formal arrangement, such as a halfway house, home detention, or sentenced to serve weekends only, is not considered to be incarcerated.

Income Protection Allowance An allowance for the basic costs of maintaining family members at home and in college that is taken into account when considering family income as part of the Expected Family Contribution (EFC).

Independent Audit An audit conducted by an independent public accountant (IPA), as defined by the audit standards of the U.S. General Accounting Office, who has been hired by the institution. Also called a "nonfederal audit." See also *Audit* and *Independent Public Accountant (IPA).*

Independent Public Accountant (IPA) An accountant who is a Certified Public Accountant (CPA) or state auditor, *or* an accountant who was licensed before December 31, 1970 who meets the audit independence standards of the U.S. General Accounting Office. See also *Independent Audit.*

Independent Student To be classified as an independent student for federal Title IV financial aid, a student must meet one or more of the following criteria:

(a) be at least 24 years old by December 31 of the award year for which aid is sought;

(b) be an orphan or ward of the court until the age of 18;

(c) be a veteran of the Armed Forces of the United States;

(d) have legal dependents other than a spouse (for example, dependent children or an elderly dependent parent);

(e) be a graduate or professional student;

(f) be married; or

(g) be deemed independent by the school's financial aid administrator.

Compare *Dependent Student.*

Information for Financial Aid Professionals (IFAP) ED's new web site containing publications, Dear Colleague letters, new information, and other features. This web page replaces the SFA BBS in the summer of 1998.

Information Summary Part 1 of the Student Aid Report (SAR). This section informs students of their eligibility for a Federal Pell Grant and shows the student's Expected Family Contribution (EFC). The Information Summary can become a part of the student's financial aid file. See also *Student Aid Report (SAR).*

In-House Control Documents Documents a school uses to meet recordkeeping requirements for federal financial aid programs, provide data needed for aid-related reports, and maintain a clear audit trail.

Institution of Higher Education A public or private nonprofit educational institution located in a state, that:

(a) admits as regular students only persons with a high school diploma (or its recognized equivalent) or persons beyond the age of compulsory elementary/secondary school attendance in the state where the institution is located;

(b) is legally authorized, in the state where it offers postsecondary education, to provide a postsecondary educational program;

(c) provides a program leading to an associate, baccalaureate, graduate, or professional degree, or at least a two-year program that is acceptable for full credit toward a bachelor's degree or at least a one-year training program that leads to a degree or certificate and prepares students for gainful employment in a recognized occupation;

(d) is a public institution or a private nonprofit institution to which contributions are tax deductible under section 501(c)(3) of the Internal Revenue Code; and

(e) is accredited or preaccredited by a nationally recognized accrediting agency or association or is a public "postsecondary vocational school" approved by a state agency listed by ED as a reliable authority on the quality of public postsecondary vocational education in that state.

See also *Postsecondary Vocational Institution* and *Proprietary Institution of Higher Education.*

Institutional Capital Contribution (ICC) The portion of a school's Federal Perkins Loan fund contributed by the institution. Loans made with the Federal Capital Contribution (FCC) must consist of Institutional Capital Contribution (ICC) equal to at least one-third (33 1/3 percent) of the new Federal Capital Contribution amount *or* one quarter (25 percent) of the combined FCC *plus* ICC. Compare *Federal Capital Contribution (FCC).*

Institutional Eligibility Notice A letter sent to an institution by ED's Institutional Participation and Oversight Service (IPOS) designating the institution as eligible to apply to participate in federal student financial aid programs. See also *Institutional Participation and Oversight Service (IPOS)* and *Program Participation Agreement (PPA).*

Institutional Liability Financial penalties or repayments that an institution must pay to ED as a result of incorrect institutional action or actions. A liability is the difference between the actual expenditures reported by the institution on its quarterly report (ED/PMS 272) or MEERS report for an Obligation Document Number for the award year and the final allowable expenditures as determined by the auditor, program reviewer, or hearing official. See also *Quarterly Report.*

Institutional Participation and Oversight Service (IPOS) The division in ED responsible for determining the eligibility of postsecondary institutions to participate in federal student financial aid programs and maintaining oversight of institutions participating in federal student financial aid programs. See also *Institutional Eligibility Notice.*

Institutional Payment Summary (IPS) An electronic transmission that summarizes and accompanies each individual batch of institutionally completed Federal Pell Grant Payment Data. See also *IPS Batch Report* and *Payment Data.*

Institutional Quality Assurance Program (IQAP) Δ Now called *Quality Assurance Program.*

Institutional Student Information Record (ISIR) The Institutional Student Information Record (ISIR) is generated by ED's Central Processing System (CPS) and is available to schools through the Electronic Data Exchange (EDE) in the form of Full Data Tapes or Full Data Magnetic Disks. The ISIR includes full applicant data, information on reject reasons, comments, and assumptions. See *Student Aid Report (SAR).*

Institution's Aid Disbursement/ Delivery Policy A policy specifying the earliest dates in each payment period that a school will credit aid to accounts and/or deliver aid as direct payments to students.

Institution's Aid Priority Policy A recommended written school policy clearly specifying the order in which financial aid awards will be applied to cover students' institutional charges.

Institution's Refund Policy Each school must have a refund policy that states the amount or percentage of charges to be cancelled for students who terminate their enrollment prior to the end of a payment period. Under the law, a school's policy must provide a refund of the [school's] unearned tuition, fees, room and board, and other charges assessed a student who received Title IV assistance (including

Federal PLUS and Federal Direct PLUS Loans received by parents on a student's behalf and excluding Federal Work-Study funds). Such refunds must be provided for students who do not complete the attendance period for which the Title IV aid was intended.

Institution's Repayment Policy A school's consistently applied policy on the amount of non-institutional, education-related expenses incurred by students for a payment period.

Insurance Premium An insurance fee charged a lender by a guaranty agency. The fee is usually passed along to the borrower. In most cases, a lender reduces the amount of the loan disbursement by the fee amount; however, a student is still responsible for repaying the entire amount of the loan. Also known as a guaranty fee. See also *Loan Fee* and *Origination Fee*.

Interest (subsidized) The interest (subsidy) payment covered by ED on a subsidized student loan on a borrower's behalf. ED covers the payments for certain specific periods, such as during the borrower's enrollment (at least half time), the grace period, or any deferment period. An interest subsidy *is paid* to lenders of subsidized Stafford Loans during qualifying periods; the borrower *is not charged* interest on subsidized Direct Loans during qualifying periods.

Interest Benefits The interest (benefit) payments made by ED to a Federal Stafford Loan lender on behalf of a student. These payments are made by ED at the student's Federal Stafford Loan interest rate, but only during certain periods: the student's enrollment (at least half time), the grace period, or any authorized deferment.

Interim Disbursement A single first disbursement of Federal Pell Grant, Federal Supplemental Educational Opportunity Grant (FSEOG), and/or Federal Perkins Loan funds to a student who has not completed application verification. The institution is responsible for recovering payment if the student never completes verification or if the amount for which the student is deemed eligible lessens as a result of verification. Interim disbursements are made at the discretion of the institution; they are optional.

Interim Final Regulations Regulations, published in the *Federal Register*, that have the effect of law when published. Interim final regulations often are created when there is need for quick action responding to newly passed legislation. They may also be issued, pending further policy review, after a Notice of Proposed Rulemaking (NPRM) elicits comments that raise new policy questions. Compare *Final Regulations* and *Notice of Proposed Rulemaking (NPRM)*.

IPS Batch Report (Institutional Payment Summary Batch Report) A report notifying an institution that ED has completed processing its Institutional Payment Summary (IPS) submission and providing a summary report on the batch processing. It also gives the net adjustment ED made to the payment data and alerts the institution to differences between its records and the data accepted by ED. Any differences must be reconciled by the institution. See also *Institutional Payment Summary*.

-J-

Job Location and Development (JLD) Program Under the Job Location and Development (JLD) Program, an institution can use up to 10 percent or $50,000 (whichever is less) of its annual Federal Work-Study (FWS) Program allocation to expand off-campus job opportunities, including community-service jobs (CS/JLD), for its currently enrolled students. Jobs may be in either profit or nonprofit settings. Students in this program do not have to meet FWS criteria, show financial need, or meet other Title IV student eligibility criteria. See also *Federal Work-Study (FWS) Program*.

-K-

No entries

-L-

Legislative Amendment A revision or change in a legislative measure that adds, deletes, or modifies a law's text.

Limitation, Suspension, or Termination (LS&T) Actions undertaken by ED against a postsecondary institution that has either:

- violated the laws or regulations of Title IV student financial aid programs, its Program Participation Agreement, or any other agreement made under law or regulations; or
- substantially misrepresented the nature of its educational program, its financial charges, or the employability of its graduates.

These ED actions against the institution may include proceedings on limitation, suspension, or termination (LS&T) of the school's participation in federal student financial aid programs; the assessment of fines of up to $25,000 for each statutory or regulatory violation; and/or implementing emergency action.

- A limitation means the postsecondary institution agrees to abide by certain specific restrictions or conditions in its administration of student financial aid programs so that it can continue to participate in any of those programs. A limitation lasts for at least 12 months and, if a postsecondary institution fails to abide by the conditions of the limitation, termination proceedings may be initiated.
- A suspension removes an institution from participating in Title IV programs for a period not to exceed 60 days, unless a limitation proceeding has begun. Suspension actions are used when a postsecondary institution can be expected to correct a program violation in a short time.
- A termination ends a postsecondary institution's participation in Title IV programs.

A terminated institution can be reinstated at a later date by ED to participate in Title IV programs. In general, however at least two years (24 months) must elapse from the school's termination before an institution can request reinstatement. See also *Emergency Action* and *Program Participation Agreement (PPA).*

Loan An advance of funds guaranteed by a signed promissory note in which the recipient of the funds promises to repay a specified amount under prescribed conditions.

Loan Disclosure Statement A statement sent to a borrower by the lender before or at the time it disburses a loan, and again before the start of the repayment period. The purpose of the disclosure is to provide the borrower with thorough and accurate information about the loan terms and the consequences of default. The statement includes information such as:

- amount of the loan,
- interest rate,
- fee charges,
- length of the grace period (if any),
- the maximum length of the repayment period,
- the minimum annual repayment amount,
- deferment conditions, and
- the definition of default.

Loan Fee A loan expense charged the borrower by the lender; it is deducted proportionately from each loan payment paid to the borrower. See also *Insurance Premium* and *Origination Fee.*

-M-

Master Calendar To assure adequate notification about and timely delivery of federal student financial aid, ED operates using a master calendar defined in the Higher Education Act (HEA). This calendar gives specific dates by which federal forms will be developed and distributed, as well as dates campus-based funds will be allocated and Federal Pell Grant funds will be authorized for an award year. The master calendar determines the dates that federal financial aid regulations must be published.

Matching (Fund) Requirement See *Nonfederal Share.*

Multiple Data Entry (MDE) Processor Δ See *FAFSA Processor.*

-N-

Nationally Recognized Accrediting Agency or Association An independent organization that monitors school practices and that certifies or approves schools to operate and offer certain programs of study. These organizations must be approved by the U.S. Secretary of Education for schools participating in federal student financial aid programs. See also *Accredited Institution, Accrediting Agency,* and *Preaccredited Institution.*

National Student Loan Data System (NSLDS) An ED database established to collect and maintain student loan information from guaranty agencies, lenders, institutions, and ED's program and Title IV default file. Information on all students who previously borrowed under Title IV programs is also maintained in the database. See also *Student Status Confirmation Report (SSCR).*

Need The difference between a school's cost of attendance (COA, also called a student budget) and a student's Expected Family Contribution (EFC). (COA-EFC = student financial need.)

Need Analysis The statutorily defined method for determining Expected Family Contributions (EFCs) for all students applying for federal student financial aid. See also *Cost of Attendance (COA), Expected Family Contribution (EFC),* and *Federal Need Analysis Methodology.*

Need-Based Assistance Any form of financial aid awarded on the basis of demonstrated financial need. Need is established by subtracting a student's Expected Family Contribution (EFC) from the school's cost of attendance (COA). (COA - EFC = student financial need.)

Negotiated Rulemaking A process by which a government agency convenes meetings to discuss proposed regulatory matters with appropriate constituent groups. ED's Office of Postsecondary Education (OPE) convenes representatives of various groups involved in delivering and administering federal student financial aid programs. During the public meetings, held in various regions of the country, the contents of proposed regulations are discussed/negotiated prior to the U.S. Secretary of Education publishing notices of proposed rulemaking (NPRMs) and/or final regulations.

Nonfederal Audit See *Audit* and *Independent Audit.*

Nonfederal Share The portion of Title IV campus-based program funds that a school must contribute from a nonfederal source (usually the portion comes from the school itself). For 1997-98, a nonfederal source must contribute at least one-third (33 1/3 percent) of the federal contribution to the school's Federal Perkins Loan fund; one quarter (25 percent) of Federal Work-Study (FWS) awards; and one quarter (25 percent) of the Supplemental Educational Opportunity Grant (FSEOG) awards.

Notice of Proposed Rulemaking (NPRM) Notice printed in the *Federal Register* of proposed regulations from a government agency, such as ED. Publishing a notice of proposed rulemaking (NPRM) begins an official comment period (which is usually 45 days or 60 days long, but may range from 30 days to 120 days in length) during which interested parties are invited to submit comments about the proposed regulations. Compare *Final Regulations* and *Interim Regulations.*

-O-

Off-Campus Agency An external agency that employs a school's Federal Work-Study (FWS) student(s) and pays the nonfederal share of the wages. See also *Federal Work-Study (FWS).*

Official Notice of Funding A computer-generated letter a school receives from ED that lists the final allocation amounts for each federal campus-based student financial aid program the school administers. The notice, which ED must send by April, notifies the school of the allocation amounts it will receive for the upcoming award year, which begins the following July 1.

One-Academic-Year Training Program A program consisting of at least 24 semester/trimester hours or 36 quarter hours at institutions using credit hours to measure progress; 900 clock hours of supervised training at an institution using clock hours to measure academic progress; or 900 clock hours in a program of study by correspondence. The program must include at least 30 weeks of instructional time.

Origination Fee A cost of borrowing a loan calculated as 3 percent of the loan principal borrowed under any Federal Family Education Loan (FFEL) Program loan and charged to the student by the lender. This fee is usually subtracted from the student loan amount before the student receives the loan money. See also *Insurance Premium* and *Loan Fee.*

Overaward The condition that exists when an institution awards financial assistance to a student that, in combination with all of the resources made available to that student from federal and nonfederal sources, exceeds the difference between the student's cost of attendance (COA) and the Expected Family Contribution (EFC).

Overpayment Any financial aid amount paid to a student in excess of the amount the student is entitled to receive. This situation may arise due to a student's change in enrollment status, withdrawal, or change in financial situation. In any of these instances, the student would be required to repay excess funds received unless adjustments could be made to the student's aid during subsequent payment periods within the same award year. See also *Repayment* and *Repayment Allocation Policy.*

-P-

Packaging The process of assembling one or more financial aid awards of loans, grants and/or scholarships, and employment for a student; also referred to as award packaging.

Parents' Contribution A quantitative estimate, according to the Federal Need Analysis Methodology, of parents' ability to contribute to postsecondary education expenses of their dependent child. See also *Expected Family Contribution (EFC).*

Payment and Disbursement Schedules See *Federal Pell Grant Payment and Disbursement Schedules.*

Payment Data (Federal Pell Grant) Formerly Payment Voucher. The Payment Data record is an electronic record that contains recipient identifiers, Expected Family Contribution, cost of attendance, enrollment status, and disbursement information for each Pell Grant recipient.

Payment Period The length of time for which all Title IV financial funds (except for Federal Work-Study) is paid to students. It is defined in 34 CFR, Section 668.4 of the Student Assistance General Provisions and depends on whether the school's academic program is (1) term-based, credit hour or (2) nonterm, credit/clock hour.

Payment Voucher (Federal Pell Grant) Δ Formerly Part 3 of the Student Aid Report (SAR); a machine-readable form, coded with an individual student's payment data at the institution before being submitted to ED. The Payment Voucher was replaced by the electronic payment data record in the 1996-97 award year. See also *Payment Data (Federal Pell Grant)* and *Processed Payment Data.*

Peer Evaluation An objective review of an institution's policies, procedures, and practices by a financial aid administrator from another school or by a consultant.

Pell Grant See *Federal Pell Grant Program.*

Period of Enrollment See *Enrollment Period.*

Perkins Loan See *Federal Perkins Loan Program.*

PLUS Loan See *Federal PLUS Loan* or *Federal Direct PLUS Loan.*

Policies and Procedures Manual A manual an institution develops that helps effectively and consistently manage financial aid using a compilation of written policies and procedures.

Postsecondary Institution An educational institution providing education beyond the high school level. The term is used to refer to trade and technical schools, as well as to two-year colleges, community colleges, and four-year colleges and universities.

Postsecondary Vocational Institution An educational institution that:

(a) admits as regular students only persons with a high school diploma (or its recognized equivalent) or persons beyond the age of compulsory school attendance in the state where the institution is located;

(b) is legally authorized, by the state where it offers postsecondary education, to provide a postsecondary educational program;

(c) provides at least a six-month program, leading to a degree or certificate, that prepares students for gainful employment in a recognized occupation;

(d) is a public institution or a private nonprofit institution to which contributions are tax deductible under section 501(c)(3) of the Internal Revenue Code;

(e) is accredited or preaccredited by a nationally recognized accrediting agency or association or is a public postsecondary vocational institution approved by a state agency listed by ED as a reliable authority on the quality of public postsecondary vocational education in that state; and

(f) has been giving instruction for at least two years.

See also *Institution of Higher Education* and *Proprietary Institution of Higher Education.*

Preaccredited Institution An interim status granted by a nationally recognized accrediting agency or association to an unaccredited public or private nonprofit institution that is expected to receive accreditation within a reasonable time period. See also *Accredited Institution, Accrediting Agency,* and *Nationally Recognized Accrediting Agency or Association.*

Primary and Secondary EFCs (Expected Family Contributions) See *Expected Family Contribution (EFC).*

Principal and Interest Principal is the loan amount borrowed. Interest is the amount the lender charges the borrower for using the money. Loan payments are applied to interest first and principal second.

Prior Year Recoveries Funds a school recovers in a given award year from financial aid money disbursed in prior award years. Institutions must adjust award expenditures and administrative cost allowances (ACAs) in award years in which recoveries are made. See also *Administrative Cost Allowance (ACA).*

Program Authorization See *Authorization (legislative)* and *Authorization (spending).*

Program Determination Letter (PDL) An official letter sent to a school by ED as a final result of an audit or program review. The letter outlines any specific steps the school must take to reimburse ED for improperly spent funds, adjust both institutional and ED records and reports, and assure compliance with federal student financial aid program regulations.

Program Participation Agreement (PPA) A written agreement that must be signed by both a top official at an institution and on behalf of the U.S. Secretary of Education that permits the institution to participate in one or more federal student financial aid programs (other than the State Student Incentive Grant [SSIG]). See also *Emergency Action; Limitation, Suspension, or Termination (LS&T);* and *Institutional Eligibility Notice.*

Program Review An assessment by ED of an institution's compliance with federal laws and regulations and its own school policies.

Program Review Exceptions Institutional policies, procedures, or actions related to federal student financial aid programs cited in a program review report as being contrary to federal laws or regulations that govern the programs. Also referred to as findings.

Promissory Note A legally binding contract between a lender and a borrower that contains the terms and conditions of the loan, including how the loan must be repaid.

Proprietary Institution of Higher Education An educational institution other than a public or private nonprofit institution located in a state that:

(a) admits as regular students only persons with a high school diploma (or its recognized equivalent) or persons beyond the age of compulsory school attendance in the state where the institution is located;

(b) is legally authorized, by the state where it offers postsecondary education, to provide a postsecondary educational program;

(c) provides at least a six-month program of training, leading to a degree or certificate, that prepares students for gainful employment in a recognized occupation;

(d) is accredited by a nationally recognized accrediting agency or association;

(e) has been giving postsecondary instruction (and has been legally authorized to give postsecondary instruction) for at least two years; and

(f) has at least 15 percent of its revenues derived from non-Title-IV funds.

See also *Institution of Higher Education* and *Postsecondary Vocational Institution.*

-Q-

Quality Assurance Program An ED quality-control program with an oversight strategy that focuses on results. Within established parameters, Quality Assurance Program (QAP) participants develop their own procedures for achieving award accuracy, measure the effectiveness of their systems, and design and target corrective actions through continuous improvement efforts.

Quarter A standard academic term, usually 10 to 15 weeks in length. At institutions using quarters to measure student progress, an academic year is defined as the time period in which a full-time student is expected to complete the equivalent of three quarters. (For fiscal reporting, quarters in the federal student financial aid award year are July-September, October-December, January-March, and April-June.) See *Academic Year (AY).*

-R-

Reauthorization The process of continuing and changing legislation because the existing law is expiring and needs to be reenacted. It is conducted every five to seven years in the case of the Higher Education Act (HEA). (July 23, 1992 was the date the most recent HEA reauthorization was enacted. Another reauthorization is scehduled for the fall of 1998.) See also *Higher Education Act of 1965, as amended (HEA).*

Recipient Data Exchange (RDE) A computer-system procedure for transmitting Federal Pell Grant payment data between an institution and ED using machine-readable magnetic tape.

Recognized Occupation An occupation that is either listed in an "occupational division" in the latest edition of the *Dictionary of Occupational Titles* published by the U.S. Department of Labor or is recognized by the U.S. Secretary of Education in consultation with the U.S. Secretary of Labor.

Reconciliation of Cash A confirmation that the cash amount shown in a school's accounting records agrees with the cash amount reported in the school's bank statement.

Reconciliation of Federal Funds Balancing a school's records of federal funds received, expended, and returned against ED's records. A reconciliation should be performed monthly to ensure that reported expenditures, the trial balance, Federal Quarterly Cash Confirmation Statement, ED's Student Payment Summary, the school's FISAP (Fiscal Operations Report and Application to Participate), and any other allocation (other than Title IV student financial aid) are in agreement. A yearly reconciliation of the same items should be included in the school's most recent audit.

Refund This often refers to the portion of funds credited to a student's school account to cover institutional charges that a school returns to ED, a lender, or the student, if the student withdraws from, is expelled from, or drops out of school. If the student received any federal student financial aid (other than Federal Work-Study), by law, a part of the refund must go to those programs. "Refund" also can mean the return of interest or excess cash to ED from GAPS drawdowns or the return of audit and program review liabilities and fines. See also *Timely Processing of Refunds and Repayments.*

Refund Policy A "fair and equitable" policy that ensures a refund that is at least as much as the amount derived using:

(1) the requirements of applicable state law,

(2) the refund requirements established by the school's nationally recognized accrediting agency and approved by ED, *or*

(3) the statutory *pro rata* refund calculation defined by the Higher Education Amendments of 1992.

Regular Formula See *Full Data Element Formula.*

Regular Student A person enrolled or accepted for enrollment in an eligible program at an eligible postsecondary institution for the purpose of obtaining a degree or certificate offered by that institution.

Reimbursement Payment Method A method in which the institution makes payments to students in advance of receiving the funds from ED. See also *Automated Clearing House (ACH)*

Rejected (Pell Payment Data) A category of Federal Pell Grant processed payment data containing unacceptable or incomplete information that is rejected by the Central Processing System (CPS). An institution must correct the records and resubmit them to the CPS. See also *Processed Payment Data.*

Renewal FAFSA A pre-printed application form mailed to the student or his/her school by the CPS that must be updated for the student to be eligible for federal student financial aid. Also available on the web. See also *Free Application for Federal Student Aid (FAFSA).*

Repayment Funds owed when the cash disbursement (excluding Federal Work-Study [FWS], Federal Direct Loans, and FFEL Program loans) to a student was greater than the amount of the student's living expenses before the student withdrew from school. See also *Distribution Formula, Overpayment,* and *Timely Processing of Refunds and Repayments.*

Repayment Allocation Policy A policy a school must develop that specifies the order in which federal student financial aid repayments will be returned to the federal financial aid programs from which they were received. Allocating repayments is statutorily prescribed by the Higher Education Act (HEA). While an institution may determine its own allocation priorities, under no circumstances may a repayment to a particular aid program exceed the amount the student received from that program. See also *Distribution Formula*, *Overpayment*, and *Repayment*.

Repayment Period The period during which a borrower (student or parent) is scheduled to repay a student loan.

Repayment Plan The *overall timetable* by which a borrower is to pay back a student loan, which may include a standard repayment plan, an extended repayment plan, a graduated repayment plan, or an income-contingent repayment plan. See also *Repayment Schedule*.

Repayment Schedule The *specific timetable*, using the borrower's repayment plan as its basis, that details the amount of loan principal and interest due in each repayment installment and the number of payments that will be required to pay off the loan in full. Additionally, a repayment schedule traditionally lists the loan's interest rate, the due date of the first loan payment, and the frequency of loan payments. See also *Repayment Plan*.

Resident Student A student who lives on campus or in housing owned and/or maintained by the institution.

Robert C. Byrd Honors Scholarship See *Robert C. Byrd Honors Scholarship* under "Byrd."

Room (as in "room and board") The cost of a student's on-campus housing or off-campus housing. See also *Board*.

-S-

SAR Information Acknowledgments See *Student Aid Report (SAR) Information Acknowledgment*.

Satisfactory Academic Progress (SAP) A measure of whether a student is progressing adequately toward completion of his or her course of study. It is determined in terms of grade point average and course completions.

Scheduled Award See *Scheduled Federal Pell Grant Award*.

Scheduled Cash Payment The total institutional cost for a student minus the total aid paid to institutional costs for the payment period.

Scheduled Federal Pell Grant Award (Scheduled Award) The Federal Pell Grant amount that would be paid to a full-time student for a full academic year.

Secondary EFC See *Expected Family Contribution (EFC)*.

Secondary Markets Purchasers of student loan notes, such as the Student Loan Marketing Association (Sallie Mae) or other institutions. In this process, loan (promissory) notes are purchased for the face value of a multi-loan portfolio or at a negotiated price. Once sold, the secondary-market purchaser becomes the holder of the loan notes and has total responsibility for future loan servicing and assuring that the loans are repaid. In addition to Sallie Mae, there are approximately 30 secondary markets operating at state or regional levels; a number of commercial lenders also purchase loans.

Self-Evaluation A school's regularly scheduled in-house evaluation of the way it administers its student financial aid program.

Self-Help Aid Student financial aid loan programs or employment-opportunity programs awarded to students. Compare *Gift Aid*.

Separation of Functions As part of administering federal student financial aid programs, a school is required to establish and maintain a check-and-balance internal-control system ensuring that no single school office can both authorize payments and disburse funds to students. Often this required separation is created by dividing the functions between the school's financial aid office and the school's business office.

Simplified Needs Test Formula A statutorily created simplified financial-need analysis formula. A part of the Federal Need Analysis Methodology, it uses a limited number of data elements to calculate a student's Expected Family Contribution (EFC). The calculation then is used in assessing a student's need for postsecondary education financial assistance.

For the 1998-99 award year, a dependent student qualifies for the simplified EFC formula if all of the following are true:

- the student's parents filed or are eligible to file a 1997 IRS Form 1040A or 1040EZ (meaning they are not required to file a 1997 IRS Form 1040) or the parents are not required to file any income tax return; and
- the student filed or is eligible to file a 1997 IRS Form 1040A or 1040EZ (meaning he or she is not required to file a 1996 IRS Form 1040) or he or she is not required to file any income tax return; and
- the 1997 income of the student's parents from one of the two sources below is $50,000 or less (excluding any income of the dependent student)—
  - ◊ the parents' adjusted gross income from the 1997 IRS Form 1040A or 1040EZ, or
  - ◊ for parents who are not tax filers, the income shown on the 1997 W-2 forms of both parents (plus any other earnings from work not included on the W-2s).

For the 1998-99 award year, an independent student qualifies for the simplified EFC formula if both of the following are true:

- the student filed or is eligible to file a 1997 IRS Form 1040A or 1040EZ (meaning he or she is not required to file a 1997 IRS Form 1040), income tax return; and
- the student's (and spouse's) 1997 income from one of the two sources below is $50,000 or less—
  - ◊ the student's (and spouse's) adjusted gross income from the 1997 IRS Form 1040A or 1040EZ, or
  - ◊ for non-tax filers, the income shown on the student's (and spouse's) 1997 W-2 forms (plus any other earnings from work not included on the W-2s).

See also *Federal Need Analysis Methodology*. Compare *Full Data Element Formula*.

Site Visit A visit to a school during which an independent auditor, nationally recognized accrediting agency, state agency, or ED seeks to understand the school's physical plant, enrollment, student financial aid application process, and methods of monitoring student attendance. See also *Independent Audit* and *Nationally Recognized Accrediting Agency or Association*.

Six-Month Program An instructional program consisting of at least 16 semester or trimester hours or 24 quarter hours at an institution that uses credit hours to measure progress; 600 clock hours of supervised training at an institution that uses clock hours to measure progress; 600 clock hours in a correspondence program; or a program that the U.S. Secretary of Education determines to be a six-month program on the basis of the Secretary's agreement plus certification by the institution's nationally recognized accrediting agency or association that the program is equivalent in course content and student workload to a comparable six-month credit-hour or clock-hour program.

Skip Tracing The process of searching for a borrower's address and telephone number for the purpose of collecting an outstanding student loan. Any information found in the borrower's school file may be used.

Source Document When estimating a student budget to use in determining cost of attendance (COA) at a school, this is the original supporting data for an item's cost or estimated cost and/or back-up material detailing why a certain expense decision was made or a specific dollar value was selected. See also *Cost of Attendance (COA)*.

Special Allowance A percentage of the average unpaid principal balance paid by ED to the lender of a FFEL Program loan. In effect, ED pays extra interest on the loan to the lender in addition to the basic interest charged on subsidized loans. This amount makes up the difference between the rates charged to FFEL Program borrowers and market interest rates. The amount of the special allowance is set by a statutory formula using 91-day Treasury bill rates.

SSIG See *State Student Incentive Grant (SSIG).*

Stafford Loan See *Federal Direct Stafford Loan, (subsidized), Federal Direct Unsubsidized Stafford Loan, Federal Stafford Loan,* and *Federal Stafford Unsubsidized Loan.*

Statement of Account (SOA) An official Federal Pell Grant statement from ED that sets a school's Pell authorization level for the upcoming award year and projects adjustments to the school's Pell funding needs. See also *Federal Pell Grant Program.*

Statement of Educational Purpose A statement on the FAFSA that the student must sign in which he/she agrees to use federal student financial aid solely for education expenses.

State Student Incentive Grant (SSIG) A need-based, gift-aid program jointly funded by the federal government and participating states.

Student Aid Master Record An institutional record containing information for an in-school student for each award year. The institution records all basic information relating to all student aid programs, including institutional and other aid programs, on the master record.

Student Aid Report (SAR) The report sent directly to a student from ED's Central Processing System (CPS) that summarizes the information submitted on a student's Free Application for Federal Student Aid (FAFSA) and provides financial-need calculations (including the student's Expected Family Contribution [EFC]) on the basis of these submitted figures.

The SAR includes:

- the Student Information Summary;
- the Information Review Form (IRVF) *or* the Information Request Form (IRQF); and
- financial aid history.

See also *Institutional Student Information Record (ISIR), Payment Data,* and *Student Aid Report (SAR) Information Acknowledgment.*

Student Aid Report (SAR) Information Acknowledgment A non-correctable Student Aid Report (SAR) sent to students who transmit the Free Application for Federal Student Aid (FAFSA) electronically through their school. See *EDExpress.*

Student Budget See *Cost of Attendance* and *Source Document.*

Student Confirmation Report See *Student Status Confirmation Report (SSCR).*

Student Contribution The dollar figure a student is expected to contribute toward postsecondary education costs from base-year income (taxed and untaxed) and assets. This amount is determined by analyzing the student's income and assets in tandem with provided allowances designed to ensure that the student actually can contribute the necessary expenses. See also *Assets, Base Year (for financial aid awards), Taxed Income,* and *Untaxed Income.*

Student Financial Aid Programs (SFA Programs) Another term for Title IV student financial aid programs.

Student Loan Reform Act of 1993 (SLRA) Federal legislation modifying the Higher Education Act (HEA); it was enacted on August 10, 1993. It created the Federal Direct Student Loan Program (since renamed the William D. Ford Federal Direct Loan Program) and eliminated the Federal Supplemental Loans for Students (SLS) Program. See also *Higher Education Act of 1965, as amended (HEA).*

Student Payment Summary (SPS) A listing retained in ED's records of a school's Federal Pell Grant recipients and their award information. The list is based on the payment data submitted by the school. It can be used to assist the school in reconciling Pell payment activity. The summary is sent to the institution at least three times during the award year, as well as at the end of the award year.

Student Status Confirmation Report (SSCR) A National Student Loan Data System (NSLDS) report that is sent electronically to educational institutions at least twice a year. It lists all the Direct Loan and FFEL Program Loan borrowers at the institution who:

(a) have loans guaranteed by a guaranty agency and

(b) were last reported as enrolled at the school.

The institution is required to provide guaranty agencies with certain enrollment information about each of their borrowers. Lenders use the SSCRs as a monitoring device to help determine when student borrowers are required to begin repaying their student loans.

Supplemental Allocation An additional allocation of available funds for one or more campus-based programs that may be given to a school on the basis of the school's need for additional funds. Supplemental allocations are made after some schools release unexpended campus-based funds at the end of an award year. See *also Allocation, Appropriation,* and *Deobligation.*

Supplemental Educational Opportunity Grant (SEOG) See *Federal Supplemental Opportunity Educational Grant (FSEOG).*

Supplemental Loans for Students (SLS) Δ See *Federal Supplemental Loans for Students (SLS).*

-T-

Taxed Income Personal income (earnings) subject to federal tax. Compare *Untaxed Income.*

Telecommunications Course A course offered principally by television, audio, or computer transmission, including open broadcast, closed circuit, cable, microwave or satellite, audio conferencing, computer conferencing, or videocassettes or videodiscs. The term does not include a course that is delivered by videocassettes or disc recordings unless that same course is delivered to students physically attending classes at the institution during the same award year. See also *Correspondence Course or Program.*

Term-Based Schools Institutions that measure academic progress in either standard terms—quarters, trimesters, or semesters—or nonstandard terms (any terms that are not one of the three listed above).

Third-Party Servicer An individual, a state, or a private profit or nonprofit organization that contracts with an eligible postsecondary educational institution to administer any aspect of the institution's participation in a federal student financial aid program. Not included in this definition: publishing ability-to-benefit (ATB) tests; performing FAFSA processing; performing a financial compliance audit; mailing documents prepared by the institution; and warehousing institution records.

Timely Processing of Refunds and Repayments Schools must notify students and loan lenders in writing when financial aid is refunded or repaid to federal student financial aid programs. Schools must return refund or repayment portions to the Federal Pell Grant Program, the Direct Loan Program, and the campus-based programs within 30 days of a student's withdrawal date and, under the FFEL Program, return proceeds to the lender within 60 days of a student's withdrawal date. If an audit or program review reveals that a school is not meeting the deadlines for returning refunds and repayments to federal student financial aid accounts, the school incurs a financial liability. See also *Refund* and *Repayment.*

Title IV Student Financial Aid Federal financial aid programs for students attending postsecondary educational institutions that are authorized to award federal aid under Title IV of the Higher Education Act of 1965, as amended. The programs are administered by the U.S. Department of Education. Title IV programs consist of: the campus-based programs, the FFEL Program, the William D. Ford Direct Loan Program, the Federal Pell Grant Program, SSIG, and the Robert C. Byrd Honors Scholarship.

Title IV Wide Area Network (TIV WAN) The system that connects a school's financial aid office with other ED Title IV systems. TIV WAN uses store-and-forward technology to allow schools to pass data to various ED contractors and allow contractors to pass data back to schools. Each school has a mailbox, or destination point, on the Title IV WAN. Schools use Title IV telecommunications software, or their own software, to dial up their mailbox and send or receive Title IV data.

Tolerance Levels (verification) A dollar-value level of errors in the income or asset information used to calculate the Expected Family Contribution. If the error level is at or below the maximum tolerance level for a given year, student applicant information does not need to be reprocessed. The *Verification Guide* provides important details on tolerance levels. See also *Verification*.

Transfer of Funds Moving a statutorily allowable percentage of financial aid allocations from Perkins Loan funds to Federal Work-Study (FWS) funds and from Perkins Loan funds and FWS funds to Federal Supplemental Educational Opportunity Grant (FSEOG) funds.

Two-Academic-Year Transfer Program A formal education program of two academic years that is acceptable for full credit toward a bachelor's degree.

-U-

Undergraduate A postsecondary-education student who does not have a first baccalaureate degree or a first professional degree.

Underutilization Disbursing a smaller amount of campus-based program financial aid funds to eligible students during an award year than the institution's allocated funding level allowed.

Unmet Need The remaining need from a student's cost of attendance (COA) at a specific school after subtracting the student's Expected Family Contribution (EFC) and Estimated Financial Assistance (EFA). (COA - EFC - EFA = student's unmet financial need.)

Untaxed Income Income (earnings) or resources that are not subject to federal tax and are not reported on a tax form. Examples of untaxed income are welfare benefits, child support, interest on tax-free bonds, some Social Security benefits, certain unemployment compensation, and military and other subsistence and quarters allowances. Compare *Taxed Income*.

Update Requirement Required notification to ED of a change in the information originally reported on a student's aid application. Updates are required for changes in household size, number of family members enrolled in postsecondary education, and dependency status. If the numbers in these items change, it might cause a significant change in the student's Expected Family Contribution (EFC).

U.S. Code (U.S.C.) The federal government's compilation of public laws.

-V-

Verification The technical and administrative procedures for detecting and resolving inaccuracies in the data a student (and family) supplied on the Free Application for Federal Student Aid (FAFSA). ED publishes a Verification Guide each year that details verification guidelines and procedures. See also *Conflicting Information*, *Edit Checks*, and *Tolerance Levels (verification)*.

Verification Items Specific student (and family) applicant information that must be checked for accuracy during the federal student financial aid verification process. Verification may extend to other items on the Free Application for Federal Student Aid (FAFSA) at the discretion of the financial aid administrator. See also *Conflicting Information* and *Verification*.

Verification Worksheet The worksheet students and parents complete for the verification process.

-W-

William D. Ford Federal Direct Loan Program See *Direct Loan Program.*

Withdrawal Date The latest of the date a student notifies a school of his/her withdrawal, or the date specified by a student, or the last date of a student's recorded attendance. If a student is enrolled in a correspondence program, the withdrawal date is the date of the last lesson submitted by the student if the student failed to submit the subsequent lesson according to the school's schedule. Compare *Drop-Out Date.*

-X, Y, Z-

No entries

Financial Aid Resources

Appendix C

1998-99 Financial Aid Resources
Important Resources
in Administering
Federal Student Financial
Aid Programs

Training and Program Information Division
Student Financial Assistance Programs
Office of Postsecondary Education
U. S. Department of Education

Resources - Appendix C

Introduction

Financial aid administrators must make sure that federal student aid programs are managed properly. This task can be made easier by:

- maintaining an up-to-date student aid reference library that includes the U.S. Department of Education's (ED's) major publications and useful non-ED publications;
- staying up to date on program information, policies, regulations, and the law, as well as being aware of changes and sharing information with all offices in the school that might be affected; and
- checking on any questionable or unclear information and asking questions before acting, which can save time and prevent liabilities.

ED Resource Materials

The following is a list of ED resource publications. They are available from the Federal Student Aid Information Center by calling **1-800-4-FED-AID (1-800-433-3243). (The TDD toll-free number is 1-800-730-8913.)**

- *The Student Guide.* A general guide to Title IV programs, written for students and parents.
- *Funding Your Education.* Generally for the high school student audience, this publication focuses on how Title IV programs can help pay for the cost of education and provides tips on how to apply for these aid programs.
- *What's New? Direct Loans!* A general guide to Direct Loans, written for students and parents.
- *The Federal Student Financial Aid Handbook.* A financial aid administrator's reference guide to managing Title IV programs.
- *The Counselor's Handbook for Postsecondary Schools.* A financial aid administrator's reference guide for advising students about financial aid for postsecondary education.
- *The EFC Formula Book.* A guide to assist in understanding how the formula is used to determine the Expected Family Contribution (EFC) for Title IV recipients.
- *Compilation of Student Aid Regulations.* A compilation of all the current regulations governing Title IV programs.
- *The Verification Guide.* A guide to verifying student aid application information, confirming correct data, and identifying incorrect or misreported data.
- *The Blue Book—Accounting, Recordkeeping, and Reporting by Postsecondary Educational Institutions for Federally Funded Student Financial Aid Programs.* A guide to proper fiscal operations procedures related to administering Title IV programs. This publication is a "must have" for all fiscal officers, and it is exceedingly helpful for financial aid administrators.
- *The Audit Guide.* A guide to preparing for and completing required audits of federal student aid operations.

- *The Recipient's Guide to the Payment Management System.* A guide that prescribes procedures for expediting payments, completing the ED/PMS 272 Report, and managing and controlling federal cash.

  The Recipient's Guide (and only this publication) can be obtained from:

  U.S. Department of Education
  Office of Postsecondary Education
  Financial Services
  Washington, DC 20202-4331

ED also sends each participating Title IV school "Dear Colleague" letters and *Federal Register* reprints that pertain to Title IV aid. You should stay current in your reading of these documents and keep them as accessible references.

A good student-aid reference library includes all the ED publications described here. Many are published annually. ED sends these publications to each participating Title IV school each time the publications are updated.

Extra copies can be ordered from the Federal Student Aid Information Center (see telephone number on previous page) at no charge. The quantities that can be sent usually are limited, but a school can make photocopies if necessary.

Your student-aid reference library should be kept up to date with the latest editions of publications readily available for reference.

However, it is also important to maintain (or archive) older versions of the publications in case it is necessary to respond to an audit finding concerning an issue or law that might have changed.

Electronic Services

Each part of the student aid delivery process can be done electronically, from filing a financial aid application to reporting a Federal Pell Grant payment.

- The electronic FISAP (Fiscal Operations Report and Application to Participate) is used to request and report expenditures in campus-based programs. It increases productivity and efficiency for financial aid administrators and ED by providing automatic calculation and edit features for users.

- The Recipient Data Exchange (RDE) allows schools to report large volumes of Pell recipient data using magnetic tapes or cartridges. The Floppy Disk Data Exchange allows schools with minimal automated data processing resources to report Pell disbursement data to ED.

- The services offered by ED through its Electronic Data Exchange (EDE) can significantly speed up the application, corrections, and reporting processes. EDE services are provided as a part of the Title IV Wide Area Network (TIV WAN). EDE is the service that allows schools to electronically process Title IV financial aid data. EDExpress is a fully integrated software package developed and distributed by ED for managing those processes. There are currently four EDExpress modules: application processing, packaging, Direct Loans, and Pell payment. The EDExpress software is provided without charge to schools.

- ED's Default Reduction Assistance Program (DRAP) provides supplemental debt collection assistance to institutions participating in the Federal Perkins Loan program that are experiencing difficulty in collecting delinquent loans.

NOTE: Institutions that have a default rate greater than 7 percent are encouraged to enroll for the free DRAP service described above.

- The student financial assistance Bulletin

Board System (SFA BBS) is a free, interactive, online service the ED operates to assist the student financial aid community in accessing important SFA information. Included on the BBS are SFA announcements, *Federal Register* notices, the *Compilation of Federal Student Aid Regulations*, "Dear Colleague" letters, the *Federal Student Financial Aid Handbook*, and other important resources. BBS software is available by calling the Customer Support Branch at 1-800-433-7327.

- SFAP information on the Office of Postsecondary Education (OPE) Home Page can also be accessed at the following Internet address:

  www.ed.gov/offices/OPE

- The Information for Financial Aid Professionals (IFAP) web site contains financial aid resources normally published in paper format and distributed to schools. This site will replace the SFA BBS in the summer of 1998. The address is: ifap.ed.gov
- The Grant Administration and Payment System (GAPS) is now used to request funds from ED. Schools must have a DUNS number, a password, and a user ID, to access GAPS over the World Wide Web.

U.S. DEPARTMENT OF EDUCATION
PELL GRANT BRANCH

RECIPIENT DATA EXCHANGE (RDE)

FEATURES:

- Allows institutions to submit Payment Data and receive Processed Payment Data using magnetic tapes/cartridges
- Provides an efficient method for exchanging high volume, institutional mainframe data with ED
- Reduces paper storage and handling
- Increases accuracy of Payment Data (fewer keying errors)
- Provides the option to receive Student Payment Summary data on magnetic tape/cartridge

Whom to contact for more information:

Pell Grant User Support Hotline: 202-708-9141

U.S. DEPARTMENT OF EDUCATION
PELL GRANT BRANCH
FACT SHEET

FLOPPY DISKETTE DATA EXCHANGE PROGRAM

BENEFITS:

- Is inexpensive
- Reduces repetitive entry of duplicative data by using default values
- Reduces processing errors
- Automatically tracks 30-day reporting requirement on each recipient
- Facilitates use of external databases
- Has good Pell Grant processing turn-around time
- Increases office productivity
- Increases control over Payment Data via reports and queries

SOFTWARE FEATURES:

- Menu driven—easy to use and easy to learn
- Online context-sensitive help—including tutorial and glossary
- Quick and simple data entry screen
- Gateway to existing external data—massload function
- Sophisticated queries, detail, exception, and summary reports
- Data backup, archive, and restore functions
- Multi-level security access capabilities

EQUIPMENT REQUIREMENTS:

- IBM PC or compatible microcomputer
- 5.25-inch or 3.5-inch disk drive
- Hard disk with at least 3.0 megabytes of available disk space
- 640K RAM (random access memory)
- PC/MS DOS version 3.1 or higher
- Printer

Whom to contact for more information:

Pell Grant User Support Hotline: 202-708-9141

Customer Service

- **Customer Support Branch**: Answers policy and operational questions from *financial aid administrators*. Customer Support also maintains the SFA Bulletin Board System. Customer Support staff can be reached Monday through Friday between 8 a.m. and 5 p.m. (Eastern time) at 1-800-433-7327 (toll free), or by fax at 1-202-260-4199, or at the following email address:

  csb@ed.gov

- **Federal Student Information Center**: student inquiries, requests for financial aid materials and student or financial aid administrator questions about aid application or processing, corrections to FAFSA processor errors that appear on the SAR. Call toll free at 1-800-4-FEDAID (1-800-433-3243), Monday through Friday between 9 a.m. and 8 p.m. (Eastern time). TDD 1-800-730-8913.

- **Application Ordering System (AOS)**: To order copies of the FAFSA and *Student Guide* in bulk, call 1-800-284-2788. Please have your Title IV school code number ready.

- Customer support "hot lines" are available for various ED systems and operations. Toll-free numbers and addresses follow, beginning below.

Customer Service: Numbers

Central Processing System/Direct Loan (CPS/DL) Customer Service:

1-800-330-5947

Email address: CPS@NCS.COM

Provides support for:

- EDExpress software—apps/DL/packaging/SSCR
- Pell Payment for Windows software
- EDE technical reference
- Data submitted to CPS
- Institution/agency applicant tapes
- RAD/YTD requests

Free Application for Federal Student Aid (FAFSA) Express Customer Support

1-800-801-0576

Email address: CPS@NCS.COM

Provides support for:

- FAFSA Express diskette version
- FAFSA Express Web version:
  http://www.ed.gov/offices/OPE/express.html
  http://www.ed.gov/money.html

Direct Loan (DL) Custom/Combination School Technical Support:

1-800-756-4220

Email address: DLTS@NCS.COM

Provides support for:

- Interpreting the Direct Loan Technical Reference
- Dealing with errors received while interfacing external system with EDExpress
- Developing import from external add/change files

- Providing on-site support to Direct Loan schools with custom/combo systems

Direct Loan Servicing Center:

Borrower Services: 1-800-848-0979

Provides support for:

- School relations
- Borrower services
- Payment center
- Collections

Loan Origination Center
1-800-557-7394

Title IV Wide Area Network (TIV WAN) Customer Service:

1-800-615-1189

Email address: T4WAN@NCS.COM

Provides support for:

- EDconnect, NET*CONNECT, and OPEnet software (both DOS and Windows)
- Transmission errors
- Network password changes and resets
- Enrollment and participation
- Billing and invoices
- Software and user manual distribution

National Student Loan Data Service (NSLDS) Customer Service:

1-800-999-8219

Provides support for:

- Small school template
- DataPrep software
- CBT (computer-based training) tutorial
- Default rate calculations
- Student Status Confirmation Reports (SSCRs)
- Data providers' monthly submission
- NSLDS online functions

Pell Grant User Support Hotline:

1-202-708-9141

Provides support for:

- Pell payment software DOS version
- Floppy Disk Data Exchange enrollment
- Pell Payment data batch inquiries

Organization of the Office of the Deputy Assistant Secretary for Student Financial Assistance Programs (SFAP)

Within ED's Office of Postsecondary Education (OPE), the Deputy Assistant Secretary for Student Financial Assistance Programs (SFAP) is responsible for administering student financial aid (SFA) programs and developing policies and procedures to meet the objectives of those programs. Chapter 1 of *The Federal Student Financial Aid Handbook* contains detailed information on SFAP's organization, including offices and telephone numbers.

- The Policy Development Division (PDD) is responsible for developing and issuing program policies and regulations. The division's main telephone number is **202-708-8242.**

- The Program Systems Service (PSS) is responsible for delivering and controlling federal funds and services authorized for SFA programs. The division's main telephone number is **202-708-7701.**

- The Training and Program Information Division (TPID) is responsible for coordinating training activities for the financial aid community and disseminating information on SFA programs to schools, the general public, and other interested groups. The division's main telephone number is **202-708-8134.**

NOTE: Free SFAP training is offered at various times throughout the year. Watch for special "Dear Colleague" letters (DCLs) identified as "Training Announcements."

- The Institutional Participation and Oversight Service (IPOS) is responsible for approving schools for initial participation in the Title IV programs, recertifying eligible schools for continued participation, and monitoring schools to ensure compliance with federal rules and regulations. IPOS conducts its oversight using a case management approach that provides a unified and consistent approach to monitoring. For information about initial participation, the telephone number is 202-260-3270. A listing of regional case management team telephone numbers is in Session 3.
- Incidents of Title IV fraud or suspected fraud should be reported to the Inspector General's hotline at **1-800-MIS-USED (1-800-647-8733)** or to local law enforcement officials.

NOTE: You also may report suspected fraud by writing to:

Office of Inspector General
U. S. Department of Education
600 Independence Avenue, SW
Washington, DC 20202-1510

- A list of ED/SFAP regional offices is on pages C-10 and C-11. The map on page C-12 shows the ten ED regions and locations of regional offices.

Professional Associations' Technical Assistance and Training

Technical financial aid assistance is usually available to members of financial-aid-related professional associations. Some associations might also research technical and historical questions, locate helpful materials, and refer problems/questions to experienced members.

Training is usually offered to both members and non-members, the latter paying a higher registration fee. Workshop topics are selected to meet current needs and address issues within the financial aid community.

Workshops are offered on four different levels: local, state, regional, and national. Many of the national workshops are listed in ED's Training Calendar, which is published three times a year—in May, September, and January—and mailed to schools participating in Title IV programs.

In addition to training, many associations hold annual or semi-annual conferences that provide valuable opportunities to exchange information, network, and express opinions on aid-related issues.

There are several association publications that might be useful financial aid resources. These publications are usually available, for a fee, from professional associations and national, state, and local agencies and associations. Membership in the association is sometimes required. The publications include:

- financial aid encyclopedias,
- job aids,
- self-evaluation guides, and
- newsletters or research journals.

Some major national associations related to student financial aid are listed below.

- Career College Association (CCA)
  750 First Street, NE, Suite 900
  Washington, DC 20002

202-336-6700

- The National Association of College and University Business Officers (NACUBO)
  1 Dupont Circle, NW, Suite 500
  Washington, DC 20036
  202-861-2500

- National Association of Student Financial Aid Administrators (NASFAA)
  1920 L Street, NW, Suite 200
  Washington, DC 20036
  202-785-0453

Networking

Networking is another important source of technical assistance and training. Through meeting and talking together, financial aid administrators can exchange:

- technical information,
- suggested management approaches,
- guidance for problem-solving, and
- assistance for new or inexperienced staff.

Networking opportunities are available through:

- association memberships,
- school partnerships, and
- personal and professional affiliations.

ED/SFAP Regional Offices

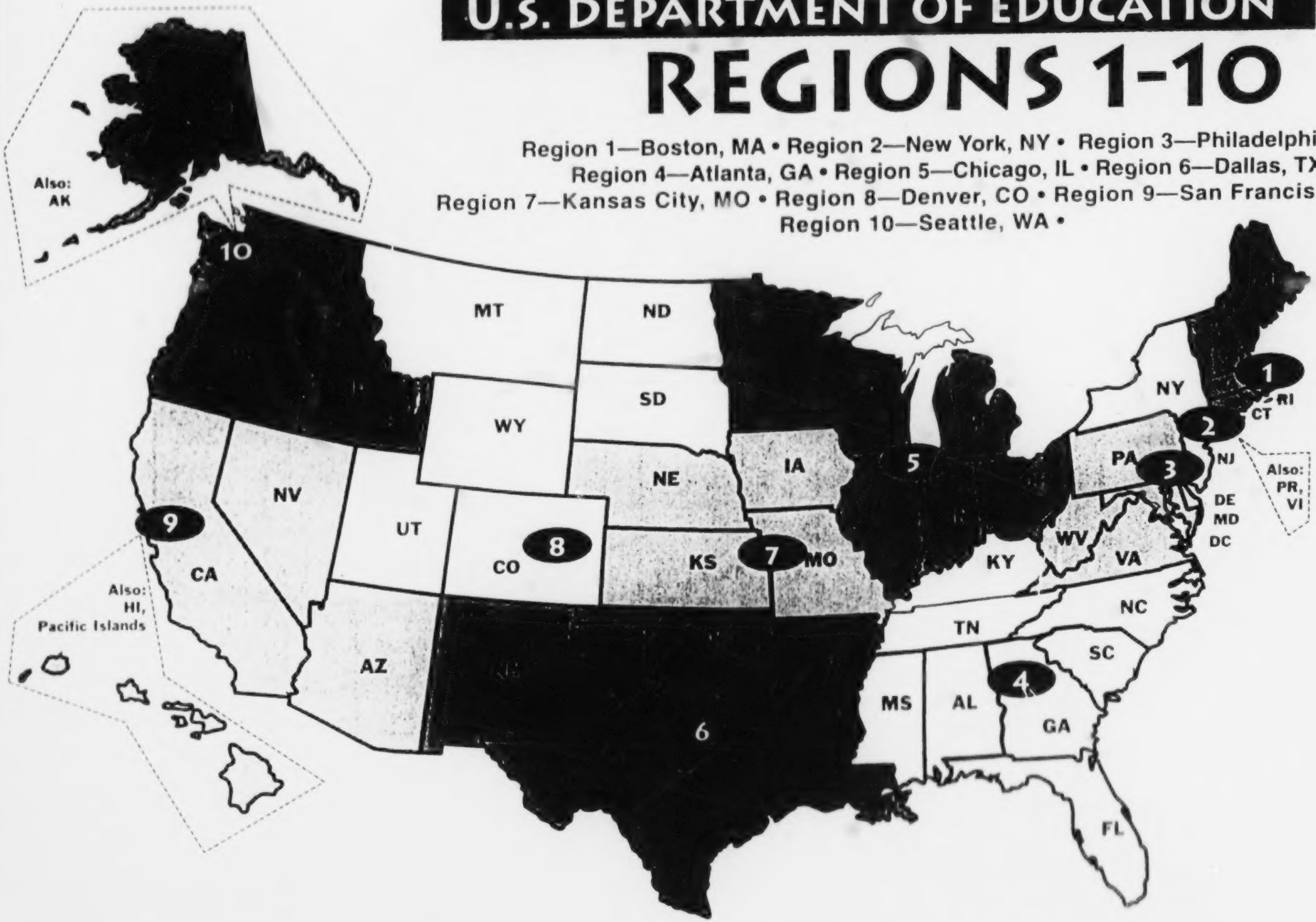
Region		States Served
I	U.S. Department of Education J.W. McCormack Post Office and Courthouse Bldg. Room 502, MS-01-0070 Boston, MA 02109 Telephone: 617-223-9328 FAX: 617-223-4305	Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont
II	U.S. Department of Education 75 Park Place, 12th Floor New York, NY 10007 Telephone: 212-264-4022 FAX: 212-264-5025	Canal Zone, New Jersey, New York, Puerto Rico, and the U.S. Virgin Islands
III	U.S. Department of Education 3535 Market Street, Room 16200, MS-03-2080 Philadelphia, PA 19104 Telephone: 215-596-1018 FAX: 215-596-5074	Delaware, District of Columbia, Maryland, Pennsylvania, Virginia, and West Virginia
IV	U.S. Department of Education 61 Forsyth St., SW, Room 18T20 Atlanta, GA 30303-3104 Telephone: 404-562-6318 FAX: 404-562-6321	Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, and Tennessee
V	U.S. Department of Education 111 North Canal Street Chicago, IL 60606 Telephone: 312-886-8767 FAX: 312-353-2836	Illinois, Indiana, Michigan, Minnesota, Ohio, and Wisconsin
VI	U.S. Department of Education 1200 Main Tower, Room 2150, MS-06-5080 Dallas, TX 75202 Telephone: 214-767-3811 FAX: 214-767-0336	Arkansas, Louisiana, New Mexico, Oklahoma, and Texas
VII	U.S. Department of Education 7505 Tiffany Springs Parkway Kansas City, MO 64153 Telephone: 816-880-4053 FAX: 816-891-0983	Iowa, Kansas, Missouri, and Nebraska

VIII	U.S. Department of Education 1391 North Speer Blvd., Suite 800 Denver, CO 80204-2512 Telephone: 303-844-3677 FAX: 303-855-5756	Colorado, Montana, North Dakota, South Dakota, Utah, and Wyoming
IX	U.S. Department of Education 50 United Nations Plaza, Room 268, MS–09–8080 San Francisco, CA 94102 Telephone: 415-437-8276 FAX: 415-437-8206	Arizona, California, Hawaii, Nevada, American Samoa, Guam, Federated States of Micronesia, the Marianas, Republic of Palau, and Republic of the Marshall Islands
X	U.S. Department of Education 1000 Second Avenue, Suite 1200 Seattle, WA 98104 Telephone: 206-287-9078 FAX: 206-553-0799	Alaska, Idaho, Oregon, and Washington

U.S. DEPARTMENT OF EDUCATION

REGIONS 1-10

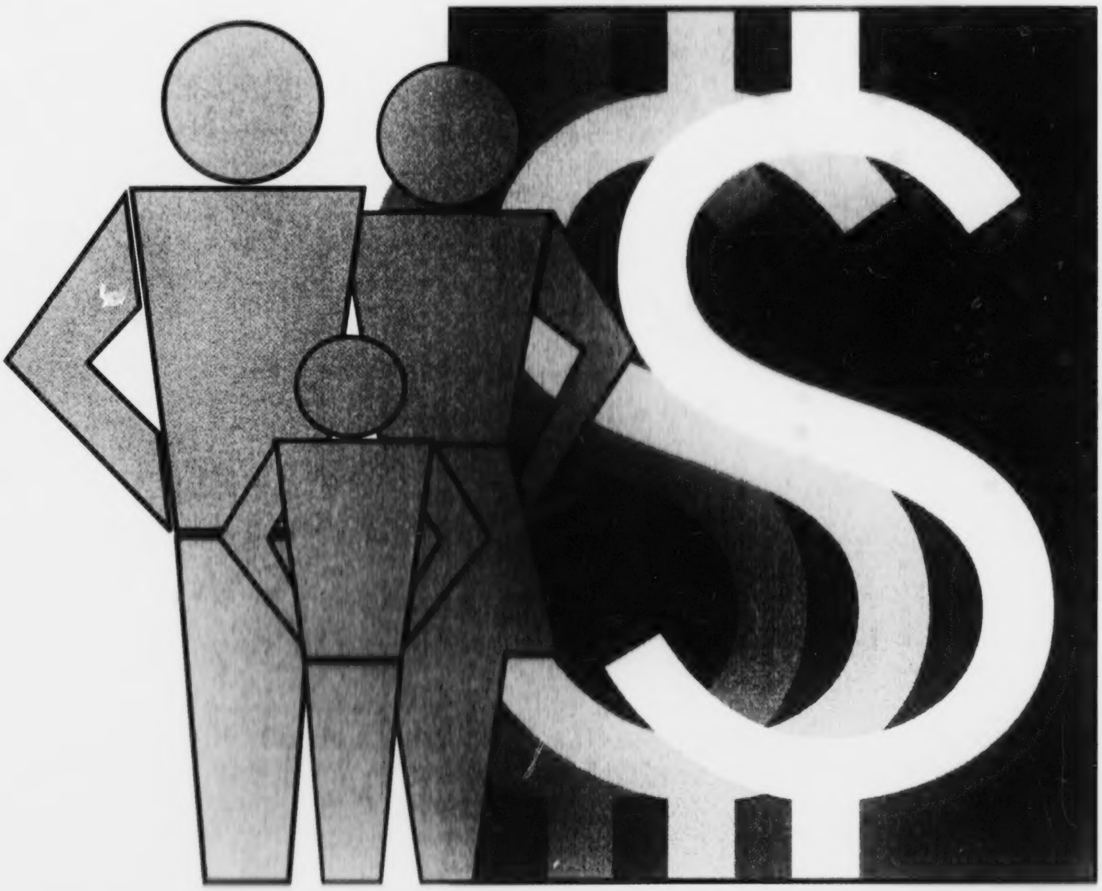
Region 1—Boston, MA • Region 2—New York, NY • Region 3—Philadelphia, PA • Region 4—Atlanta, GA • Region 5—Chicago, IL • Region 6—Dallas, TX • Region 7—Kansas City, MO • Region 8—Denver, CO • Region 9—San Francisco, CA • Region 10—Seattle, WA •


Also: AK
10
MT
ND
SD
WY
NE
IA
5
NV
UT
CO
8
9
CA
KS
7
MO
KY
WV
VA
PA
3
NY
1
RI
CT
2
NJ
Also: PR, VI
DE
MD
DC
NC
TN
SC
4
GA
AL
MS
FL
AZ
6
Also: HI, Pacific Islands

BEST COPY AVAILABLE

Sources and Citations

Appendix D



Training and Program Information Division
Student Financial Assistance Programs
Office of Postsecondary Education
U.S. Department of Education

Sources and Citations Appendix D

Precertification Training References

Session 1: Introduction to the Workshop and Training Materials

Regulations, 34 CFR 668.14–Program Participation Agreement

NASFAA's pamphlet, "On Choosing, Using, and Appraising a Student Financial Aid Consultant"

Session 2: Overview of the Title IV Programs

Regulations, 34 CFR Parts:

- 673 General Provisions for the Federal Perkins Loan Program, the Federal Work-Study Programs, and the Federal Supplemental Educational Opportunity Grant Program
- 674 Federal Perkins Loan Program
- 675 Federal Work-Study Program
- 676 Federal Supplemental Educational Opportunity Grant
- 682 Federal Family Education Loan (FFEL) Program
- 685 William D. Ford Federal Direct Loan Program
- 690 Federal Pell Grant Program

The Student Guide, 1998-99

The 1998-99 Federal Student Financial Aid Handbook, Chapters 4-8, Chapter 10, and Chapter 11

Session 3: Institutional Eligibility

Regulations, 34 CFR Parts:

- 600.4 Institution of higher education
- 600.5 Proprietary institution of higher education
- 600.6 Postsecondary vocational institution
- 602 Secretary's Procedures and Criteria for Recognition of Accrediting Agencies
- 668 Student Assistance General Provisions
  - ◊ 668.8 Eligible program
  - ◊ 668.9 Relationship between clock hours and semester, trimester, or quarter hours in calculating Title IV, HEA program assistance
  - ◊ 668.12 Application procedures
  - ◊ 668.13 Certification procedures
  - ◊ 668.14 Program Participation Agreement
  - ◊ 668.15 Factors of financial responsibility
  - ◊ 668.16 Standards of administrative capability
  - ◊ 668.25 Contracts between an institution and a third-party servicer
  - ◊ 668.26 End of an institution's participation in Title IV, HEA programs

  - ◊ 668-Subpart G—Fine, Limitation, Suspension, and Termination Proceedings

Higher Education Amendments (HEA) of 1965, as amended

The 1998-99 Federal Student Financial Aid Handbook, Chapter 2

Session 4: School Responsibilities

Regulations, 34 CFR Part 668—Student Assistance General Provisions:

- 668.15 Factors of financial responsibility
- 668.16 Standards of administrative capability
- 668.17 Default reduction measures
- 668.22 Institutional refunds and repayments
- 668.23 Compliance audits and audited financial statements
- 668.24 Record retention and examinations
- 668.44 Institutional information
- 668.82 Standard of conduct
- 668.83 Emergency action
- 668.84 Fine proceedings
- 668 Subpart D—Student Consumer Information Services
- 668 Subpart G—Fine, Limitation, Suspension, and Termination Proceedings
- 668 Subpart K—Cash Management

The 1998-99 Federal Student Financial Aid Handbook, Chapter 2

Session 5: Title IV Reporting Requirements

Regulations, 34 CFR Parts:

- 668 Student Assistance General Provisions
- 674 Perkins Loan Program
- 675 Federal Work-Study Program
- 676 Federal Supplemental Educational Opportunity Grant Program
- 682 Federal Family Education Loan (FFEL) Program
- 685 William D. Ford Federal Direct Loan Program
- 690 Federal Pell Grant Program

DCL-GEN-96-5, 96-7, and 96-17 (contain process and procedures for Student Status Confirmation Reports [SSCRs])

DCL-GEN-96-5 (SSCR user's guide)

The Blue Book, Chapter 6

The Recipient's Guide to the Payment Management System

The 1998-99 Federal Student Financial Aid Handbook, Chapters 4, 5, and 10

Session 6: Student Eligibility

Regulations, 34 CFR Parts:

- 668 Student Assistance General Provisions
  - ◊ 668.15 Factors of financial responsibility
  - ◊ 668.19 Financial aid transcript
  - ◊ 668.32 Student eligibility—general
  - ◊ 668.33 Citizen and residency requirements

610

- 674 Federal Perkins Loan Program
    - 674.9 Student eligibility
- 675 Federal Work-Study Program
    - 675.9 Student eligibility
- 676 Federal Supplemental Educational Opportunity Grant Program
    - 676.9 Student eligibility
- 682 Federal Family Education Loan (FFEL) Program
    - 682.201 Eligible borrowers
- 685 William D. Ford Federal Direct Loan Program
    - 685.200 Borrower eligibility
- 690 Federal Pell Grant Program
    - 690.6 Duration of student eligibility

The 1998-99 Federal Student Financial Aid Handbook, Chapter 2

Session 7: Satisfactory Academic Progress

Regulations, 34 CFR Part 668

- 668 Student Assistance General Provisions
    - 668.16 Standards of administrative capability
    - 668.32 Student eligibility—general
    - 668.34 Satisfactory progress

The 1998-99 Federal Student Financial Aid Handbook, Chapters 2 and 3

Session 8: Cost of Attendance, Expected Family Contribution, and Need

HEA, Section 472

The 1998-99 Federal Student Financial Aid Handbook, Chapter 2, Section 2

Session 9: Overview of Refunds/ Repayments

Regulations, 34 CFR Parts:

- 668 Student Assistance General Provisions
    - 668.21 Treatment of Federal Perkins Loan, FSEOG, and Federal Pell Grant program funds if the recipient withdraws, drops out, or is expelled before his or her first day of class
    - 668.22 Institutional refunds and repayments
    - Appendix A

The 1998-99 Federal Student Financial Aid Handbook, Chapter 3

Session 10: Overview of Overpayments and Overawards

Regulations, 34 CFR Parts:

- 668 Student Assistance General Provisions
- 673 General Provisions for the Federal Perkins Loan Program, Federal Work-Study Programs, and Federal Supplemental Educational Opportunity Grant Program
- 690 Federal Pell Grant Program

1998-99 Verification Guide

The 1998-99 Federal Student Financial Aid Handbook, Chapters 2, 4, 5, 7, 10, and 11

Session 11: Evaluation and Inspector General Presentation

Regulations, 34 CFR Parts:

- 668 Student Assistance General Provisions
    - 668.23 Compliance audits and audited financial statements
    - 668.24 Record retention and examinations

ED's *Audit Guide*

The 1998-99 Federal Student Financial Aid Handbook, Chapter 3, Section 7

Session 12: The Free Application for Federal Student Aid

Regulations, 34 CFR Parts:

- 668 Student Assistance General Provisions
- 690 Federal Pell Grant Program

Action Letter #3, November 1997, (describes the 1998-99 application processing system)

Title IV Institutional Code List

The 1998-99 Federal Student Financial Aid Handbook, Chapter 2

Session 13: Paper and Electronic Applications

DCL-GEN-96-13, July 1996 (describes using NSLDS to fulfill FAT requirements)

Action Letter #4, November 1996 (describes TIV WAN)

The 1998-99 Federal Student Financial Aid Handbook, Chapters 4-10

Session 14: Federal Output Documents

Regulations, 34 CFR Part 690—The Pell Grant Program

Action Letter #3, November 1997, (provides initial draft of the 1998-99 SAR layout and description)

Other References:

- *The 1998-99 EDExpress User's Guide*
- *FAFSA Express*
- *The 1998-99 Federal Student Financial Aid Handbook*, Chapter 4

Session 15: Verification

Regulations, 34 CFR Part 668, Subpart E

1998-99 Verification Guide

The 1998-99 Federal Student Financial Aid Handbook, Chapter 2

Session 16: Need Analysis

HEA, Part A, Section 401, and Part F

The 1998-99 Federal Student Financial Aid Handbook, Chapter 2

Session 17: Professional Judgment

HEA, Section 479A

The 1998-99 Federal Student Financial Aid Handbook, Chapter 2

Session 18a and 18b: Calculating Pell Grant Award Amounts

Regulations, 34 CFR Part 690—Federal Pell Grant Program, Subpart F—Determination of Federal Pell Grant Awards

The 1998-99 Federal Student Financial Aid Handbook, Chapter 4

Session 19: Packaging

Regulations, 34 CFR Parts:

- 673 General Provisions for the Federal Perkins Loan, the Federal Work-Study Program, and the Federal Supplemental Educational Opportunity Grant Program
  - 673.5 Overaward
  - 673.6 Coordination with BIA Grants
- 674 Federal Perkins Loan Program
  - 674.9 Student eligibility
  - 674.10 Selection of students for loans
  - 674.12 Loan maximums
- 675 Federal Work-Study Program
- 676 Federal Supplemental Educational Opportunity Grant Program
  - 676.20 Minimum and maximum FSEOG award

The 1998-99 Federal Student Financial Aid Handbook, Chapter 2

Session 20: Pell Grant Overawards

Regulations, 34 CFR Part 690—Federal Pell Grant Program

The 1998-99 Federal Student Financial Aid Handbook, Chapter 4

Session 21: The Payment Data, Institutional Payment Summary, and Related Reports

Regulations, 34 CFR 690—The Federal Pell Grant Program

Action Letter #4, November 1996, (describes the telecommunications services provided by TIV WAN and the procedures for an institution to enroll for 1998-99)

The 1998-99 Federal Student Financial Aid Handbook, Chapter 4

Session 22: The Campus-Based Programs

Regulations, 34 CFR Parts:

- 673 General Provisions for the Federal Perkins Loan Program, the Federal Work-Study Program, and the Federal Supplemental Educational Opportunity Grant Program
- 674 Federal Perkins Loan Program
- 675 Federal Work Study Program
- 676 Federal Supplemental Educational Opportunity Grant Program

The 1998-99 Federal Student Financial Aid Handbook, Chapters 5-8

Session 23: Disbursing Campus-Based Awards

Regulations, 34 CFR Parts:

- 668 Student Assistance General Provisions
  - 668.164 Disbursing funds
- 673 General Provisions for the Federal Perkins Loan Program, the Federal Work-Study Program, and the Federal Supplemental Educational Opportunity Grant Program
  - 673.5 (b) Awarding and disbursement

The 1998-99 Federal Student Financial Aid Handbook, Chapters 6, 7, and 8

Session 24: The William D. Ford Federal Direct Loan Program and The Federal Family Education Loan Program

Regulations, 34 CFR Part 682—The Federal Family Education Loan (FFEL) Program

Regulations, 34 CFR Part 685—William D. Ford Federal Direct Loan Program

The 1998-99 Federal Student Financial Aid Handbook, Chapters 10 and 11

Session 25: Disbursing Funds from the William D. Ford Federal Direct Loan Program Direct and the Federal Family Education Loan Program

Regulations, 34 CFR Part 682, Subpart F—Requirements, Standards, and Payments for Participating Schools

Regulations, 34 CFR Part 682, Subpart C—Requirements, Standards, and Payments for Direct Loan Program Schools

The 1998-99 Federal Student Financial Aid Handbook, Chapters 10 and 11

Session 26: Campus-Based and Direct Loan/FFEL Overawards and Overpayments

Regulations, 34 CFR Parts:

- 668 Student Assistance General Provisions
- 673 General Provisions for the Federal Perkins Loan Program, the Federal Work-Study Program, and the Federal Supplemental Educational Opportunity Grant Program
- 675 Federal Work-Study Program
- 676 Federal Supplemental Educational Opportunity Grant Program
- 682 Federal Family Education Loan (FFEL) Program

The 1998-99 Federal Student Financial Aid Handbook, Chapters 5, 6, 7, 8, 10, and 11

Session 27: Refund and Repayment Calculations

Regulations, 34 CFR Parts:

- 668 Student Assistance General Provisions
    - ◊ 668.21 Treatment of Pell Grant, FSEOG, and Federal Perkins Loan Program funds if the recipient withdraws, drops out, or is expelled before his or her first day of class.
    - ◊ 668.22 Institutional refunds and repayments
    - ◊ 668.22 Appendix A

Session 28: Financial Aid Administrator Presentation and Wrap Up

No references

The Legislative, Regulatory, and Policymaking Processes

Title IV student financial aid administration is affected by both the legislative (Congress) and executive branches (specifically, the U.S. Department of Education) of the federal government. A school that understands how the process works can be actively involved in the way federal financial aid programs operate. There are several important steps in the legislative process.

How a Bill Becomes a Law

An idea is drafted into a bill by one or more members of Congress. It is presented to be examined by appropriate congressional committees that hear testimony about the bill and its possible effects, then alter or rewrite the bill. The committees that deal with postsecondary education issues are:

- The Senate Committee on Labor and Human Resources,
- The House Committee on Economic and Educational Opportunities, and
    - ◊ the Subcommittee on Postsecondary Education, Training, and Life-Long Learning.

If the bill is passed by both houses of Congress (by majority vote), it becomes law the day it is signed by the President. However, many laws incorporate specific subsequent effective dates.

Laws are numbered in two parts, as in the following example:

P.L. 101 - 12

"P.L." stands for Public Law. "101" designates that the law was passed by the 101st Congress. "12" indicates that the law was the 12th law to be passed by that Congress.

Further divisions of the law are numbered according to the following structure:

Title [Title IV]
  Part [Part A]
    Subpart [Subpart 1]
      Section [Section 413]
        subsection [subsection (a)]
          paragraph [paragraph (1)]
            subparagraph [subpargraph (A)]
              division [division (i)]
                clause [clause (I)]

All current laws become part of the U. S. Code. The laws governing Title IV student aid programs are found in the Higher Education Act (HEA), which is designated in the U. S. Code as 20 USC 1070.

Laws governing the management of Title IV programs are usually reauthorized every five to six years.

Types of Legislation

There are two types of legislation significant to student aid administration:

(1) Authorizing Legislation, which

- ◊ establishes programs,
- ◊ specifies program purpose, and
- ◊ sets spending ceilings.

(2) Appropriating Legislation, which

- ◊ assigns dollar amounts and
- ◊ designates the time period for the amount.

Generally, legislation affecting student aid programs is a reauthorization of or an amendment to the Higher Education Act (HEA). However, other laws may affect student aid, as will be discussed shortly.

Because the annual federal funding year differs from school award and academic years, Title IV programs are forward funded. For example, Title IV funds were appropriated in fall 1996 for the 1997 fiscal year. Those funds couldn't be used until July 1997, the beginning of the 1998-99 award year.

Why ED Regulates

A law may not be specific; it may need interpretation through regulations. In fact, some laws specifically direct that clarifying regulations be issued. Conversely, sometimes law prohibits issuing regulations for a law. Regulations do not change the law; they merely explain and specify its intent, and, sometimes, set forth procedures. Regulations are often issued in response to changes in departmental policies or procedures and to combat administrative problems and program abuse.

Types of Regulations

Regulations generally go through two stages: NPRM (Notice of Proposed Rulemaking) and Final Regulations. An NPRM is a proposal; it notifies the public that regulations are about to be issued and it offers the public an opportunity to comment on those regulations. (Occasionally, ED will publish a Request for Comment, to solicit public comments prior to developing proposed regulations.)

The comment period for an NPRM varies, but is normally 30 to 60 days. After the comment period, Final Regulations are developed and issued. These final regulations are usually effective 45 days after being issued, or are assigned a specific effective date. According to the "master calendar" in the HEA, all regulations must be issued by December 1 to take effect on July 1 of the next award year. This means that for a regulation to take effect on July 1, 1998, it must have been published by December 1, 1997.

Interim Final Regulations sometimes are published when quick action is needed.

Final regulations have the force of law. Regulatory violations may lead to administrative action against a school and/or required repayment of funds.

All final regulations are published in the *Federal Register* and become part of the Code of Federal Regulations (CFR). All Title IV regulations are found in Title 34 of the CFR. Within 34 CFR, each major program and each of the general requirements has a specific Part designation number:

1. Institutional Eligibility—**600**
2. Student Assistance General Provisions—**668**
3. General Provisions for the Federal Perkins Loan Program, the Federal Work-Study Loan Program, and the Federal Supplemental Educational Opportunity Grant Program—**673**
4. Federal Perkins Loan Program—**674**
5. Federal Work-Study Program—**675**
6. Federal Supplemental Educational Opportunity Grant—**676**
7. Federal Family Education Loan (FFEL) Program—**682**
8. William D. Ford Federal Direct Loan Program—**685**
9. Federal Pell Grant Program—**690**

Further divisions of the CFR are numbered according to the following structure:

- **Part** [such as Part 668]
  - **Subpart** [such as Subpart A]
    - **Section** [such as 668.3]
      - **Subsection** [such as 668.3(a)]
        - **Paragraph** [such as 668.3(a)(I)]
          - **Subparagraph** [such as 668.3(a)(I)(i)]

Notices

Sometimes ED will publish Notices in the *Federal Register*. These are official notifications of action to be taken by ED or by the public.

Policy Interpretation

As a result of public questions, school administrative problems, and internal procedural changes, it is sometimes necessary for ED to more specifically interpret regulatory language. These interpretations are official policy and represent the departmental position on an issue. Policy interpretations cannot supersede or override the law.

Disseminating Information

Policy is regularly disseminated to the public by ED through one or more of the following publications, which are sent to every participating Title IV school.

1. *Federal Register* reprints
2. "Dear Colleague" letters (DCLs)—DCLs are designated, according to subject matter, as follows:
   a. Announcement—**ANN**
   b. General (applies to all programs)—**GEN**
   c. Campus-based programs—**CB**
   d. Pell Grant Program—**P**
   e. Federal Family Education Loan (FFEL) Program
      - Guaranty Agencies—**G**,
      - Schools—**S**, and
      - Lenders—**L**
   f. Federal Direct Loan Program—**DL**
   g. Limited Distribution (to special audiences)—**LD**
   h. State (SSIG)—**SG**
3. Q & A Letters
4. Annual Office of Postsecondary Education (OPE) publications

OPE publications and documents are also posted on the SFA bulletin board service (BBS).

The School's Role and Responsibility

It is a school's responsibility to know how to understand, use, and act on information contained in OPE's regular mailings.

On receiving any document or publication from OPE, school staff should:

1. Read and/or study the information carefully.
2. Act on the information as necessary.
3. Distribute the information to all involved offices or individuals.
4. File the document or publication for easy reference and future use.

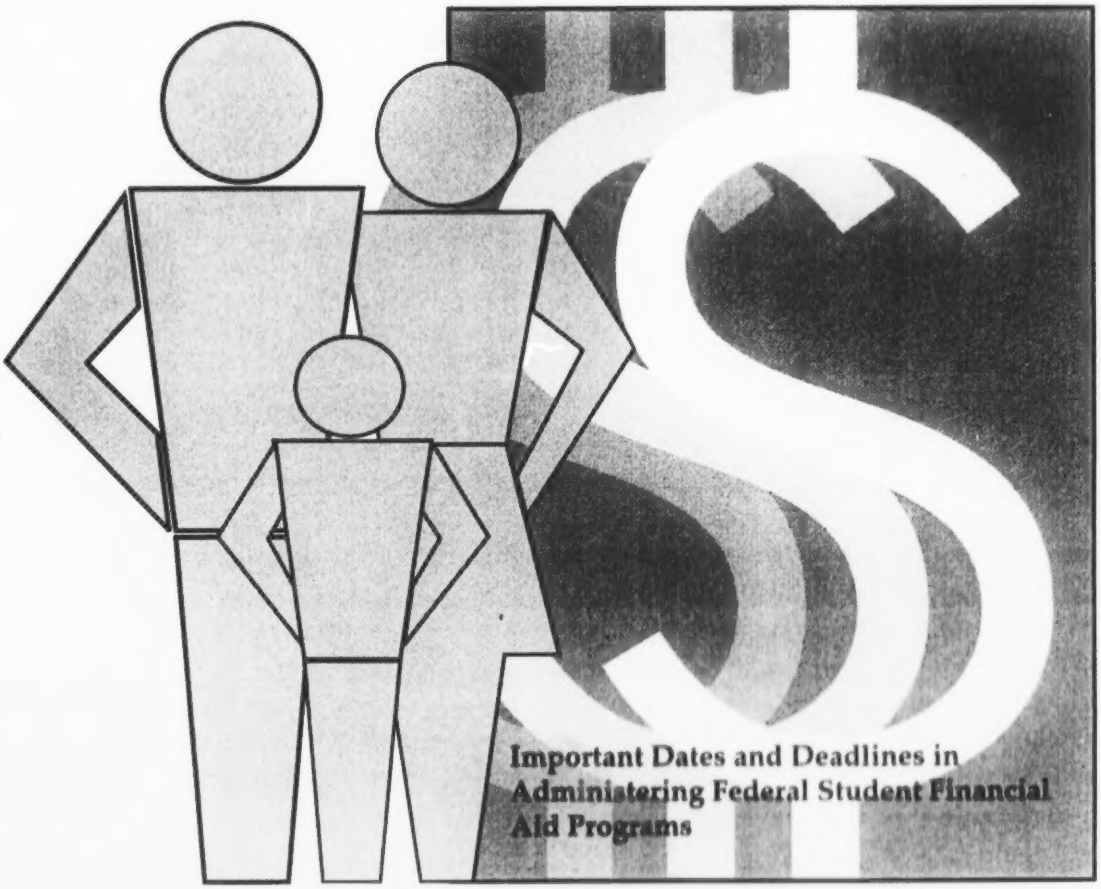
Additionally, schools participating in Title IV programs have several opportunities to affect the administration of federal student financial aid:

1. Testimony and comment before congressional committees.
2. Written comment to NPRMs.

3. Participation in professional associations that are involved in the federal student financial aid process.
4. Contact with local representatives in Congress.

Financial Aid Calendar

Appendix E



Important Dates and Deadlines in Administering Federal Student Financial Aid Programs

Training and Program Information Division
Student Financial Assistance Programs
Office of Postsecondary Education
U. S. Department of Education

Financial Aid Calendar Appendix E

This Financial Aid Calendar was developed to help financial aid administrators identify when deadlines must be met and when they can expect to receive certain items from the U.S. Department of Education (ED).

The 1997-98 Federal Student Financial Aid Handbook and regulations provide more specific information.

Keep in mind that regulations governing the federal student financial aid programs are often amended. You will find it necessary to update and revise your calendar as you receive notices of any changes.

Each institution must determine the most effective way to operate its financial aid office. Because schools vary in the size and scope of their financial aid programs, there is no one best way to administer a financial aid office. Nevertheless, due to many requests for guidelines to follow throughout the year, especially from schools that are new to Title IV programs, ED offers the following suggestions.

Managing a financial aid office:

- Provide adequate staff to ensure a proper division of responsibilities.
- Define staff roles.
- Develop and maintain a policies and procedures manual.
- Establish and maintain a file of ED-issued "Dear Colleague" letters.
- Maintain an up-to-date collection of statutory and regulatory requirements for managing Title IV programs.
- Maintain a library of resource materials, including the *Audit Guide*, *The 1997-98 Federal Student Financial Aid Handbook*, and *The Blue Book*. In addition to this appendix, Appendix C ("Financial Aid Resources") and Appendix D ("Sources and Citations") of the Participant's Workbook also will be helpful in creating your library.

Staff-related functions:

- Identify training opportunities, such as those provided by ED and professional associations. Determine staff members from various offices (business office, financial aid office, and so on) who should attend these training workshops.
- Plan for regularly scheduled staff meetings and in-house training.
- Schedule vacations so that appropriate staff members are available during critical periods.

Scheduling:

- Determine due dates for any internal financial aid reports, for reports due to federal and state agencies, and for any scholarship reports.
- Determine specific deadlines your school must meet.
- Coordinate activities with related school offices, such as the admissions office and business office.
- Determine when to develop the upcoming year's financial aid calendar.

Audits and self-evaluation:

- Identify time frames for required audits and any optional self-evaluations.
- Conduct documentation reviews of student files for compliance.

Forms and brochures:

- Review and update all institutional brochures and consumer information regularly. Remember to allow time for printing.
- Request or produce necessary financial aid forms in a timely manner to assure adequate supplies.
- Publish deadlines and priority dates by which applicants must complete and return all student financial aid forms and documentation.

Letters and reminders:

- Determine dates for mailing out award letters, if applicable.
- Identify dates to send out various types of reminders and notices to students about loan counseling sessions.
- Determine dates for sending any necessary forms or reports to ED.

Arranging interviews and counseling:

- Schedule group sessions for students interested in financial aid.
- Schedule entrance and exit loan counseling for Federal Perkins, Federal Family Education Loan (FFEL), and Federal Direct Loan borrowers.
- Schedule interviews for verification, when necessary.

Satisfactory academic progress:

- Determine the borrower's satisfactory academic progress before making each Title IV disbursement (except FWS).
- If necessary, send letters, schedule interviews, and/or determine specific times when appeals will be considered.

Campus-based programs:

- Update the ED-required lobbying disclosure form quarterly, if necessary.
- Reconcile monthly campus-based fiscal operations.
- Federal Work-Study:
    - ◊ Locate student job positions on campus and off campus, as needed.
    - ◊ Determine times for reconciling FWS payroll.
    - ◊ Coordinate FWS payroll activities (determine who is responsible for placing students, submitting time sheets, and monitoring earnings).

Federal Pell Grants:

- Reconcile Student Payment Summary reports with Pell Grant disbursement ledgers quarterly.
- Amend reporting on expected disbursements, as necessary, for students who have withdrawn or graduated.
- Schedule meetings with the business office to make sure program refunds are made within a 30-day period and that the Student Payment Summary (final report) agrees with the final general ledger and Fiscal Operations Report and Application to Participate (FISAP).

- If disbursement records need to be updated, reconcile internal Pell Grant disbursement records monthly (for example, existing records need corrections because students have withdrawn from school or new Pell Grant recipients need to be reported).

Direct Loans:

- Reconcile monthly.
- Review error reports.

JULY*

- Beginning of new federal student financial aid award year.
- Deadline for institutions to send reallocation forms to ED to release previous year's unexpended balances for campus-based programs.
- ED issues current year's Federal Perkins Loan teaching-service cancellation reimbursements to institutions.
- Schools must report to ED if their percentage of correspondence, incarcerated, or ability-to-benefit students or their correspondence courses exceed applicable limits.

* Specific dates can vary from year to year.

AUGUST*

- The previous year's FISAP in the Federal Perkins Loan, FSEOG, and FWS Programs and drug-free workplace, anti-lobbying, and debarment certification forms are distributed to institutions by ED.
- Deadline for a student undergoing verification to submit a reprocessed Student Aid Report (SAR) or Institutional Student Information Record (ISIR) for the previous year to the financial aid office.
- ED disseminates the current year directory listing of low-income schools for teacher cancellation benefits under the National Defense/Direct and Federal Perkins Loan Programs.
- Federal Perkins Loan participant schools must submit annual Safeguard Activity Reports to maintain eligibility to participate in the Internal Revenue Service (IRS)/ED skip-tracing service.

* Specific dates can vary from year to year.

SEPTEMBER*

- ED publishes Fall Financial Aid Training Calendar.
- Publish and distribute annual institutional security report.
- Suggested date for institutions of higher education (IHEs) to submit drug-prevention certifications to ED, if applicable.
- Last date for upcoming year's electronic FISAP transmission and postmark for signed drug-free workplace, anti-lobbying, and debarment certifications.
- Deadline for final Electronic Pell Payment Data Records for previous year.
- Supplemental allocations for current year's campus-based programs distributed to participating schools.

* Specific dates can vary from year to year.

OCTOBER*

- Upcoming year's FISAP due.
- Deadline for an institution to certify to ED that it has adopted and implemented a program to prevent the illicit use of drugs and the abuse of alcohol by students and employees.
- Deadline for ED's receipt of the previous year's Paul Douglas Teacher Scholarship Program Performance Report.
- Equity in Athletics Disclosure Act (EADA) report due. (This must be made available to the public, but submission to ED is required only if requested by ED.)

* Specific dates can vary from year to year.

NOVEMBER*

- Upcoming year's Renewal FAFSA and instructions scheduled for distribution to students.
- Upcoming year's Free Application for Federal Student Aid (FAFSA) forms and instructions scheduled for distribution to institutions.
- Institutions receive previous year's FISAP edits and computer printouts.

* Specific dates can vary from year to year.

DECEMBER*

- School receives procedures for appealing campus-based allocations.
- Deadline for transmitting previous year's FISAP corrections and edits to ED.

* Specific dates can vary from year to year.

JANUARY*

- ED publishes Winter Financial Aid Training Calendar.
- Students begin applying for financial aid for the upcoming academic year.
- Institutions applying for participation in one or more of the campus-based programs for the first time in the upcoming year must submit all documents required for determining eligibility to ED's Institutional Participation and Oversight Service (IPOS).

* Specific dates can vary from year to year.

FEBRUARY*

- ED makes the upcoming year's final Pell Grant Payment Schedule available to institutions.
- ED makes the upcoming year's campus-based program funding levels available to institutions.
- Deadline for ED to receive campus-based allocation appeals from schools.

* Specific dates can vary from year to year.

MARCH*

- Final Pell Grant Administrative Cost Allowance payment for previous year mailed to institutions.
- Deadline for institutions to file waiver or appeal of loss of FWS and/or FSEOG on the basis of under utilization.

* Specific dates can vary from year to year.

APRIL*

- Upcoming year's final campus-based allocation letters mailed to institutions.
- ED issues addendum to the upcoming year's directory listing of low-income schools for teacher cancellation benefits under the National Defense/Direct and Federal Perkins Loan Programs.

* Specific dates can vary from year to year.

MAY*

- ED publishes Summer Financial Aid Training Calendar.
- Anti-Lobbying Certification forms must be returned to ED by schools with campus-based programs that have allocations exceeding $100,000.

* Specific dates can vary from year to year.

JUNE*

- Deadline for schools to receive a valid SAR or ISIR.
- Deadline for excess Federal Perkins Loan cash on hand to be returned to ED.
- ED issues approval/denial letters for institutional requests for the upcoming year's waivers of Federal Work-Study and FSEOG institutional share requirements.
- Free Application for Federal Student Aid (FAFSAs) for the current award year must be received by the federal processor.

* Specific dates can vary from year to year.